Proceedings of
Global Roundtable on

Government Performance Management

New Delhi, India
December 11-12, 2013



Foreword

This important compendium aims to document global best practices in Government Performance Management (GPM) by comparing and contrasting practices from several countries with the Indian system. It is the outcome of a 'Global Roundtable on Government Performance Management' organised by the Performance Management Division (PMD), Cabinet Secretariat, Government of India in collaboration with Institute of Public Enterprise (IPE) in December 2013. The Roundtable was a dialogue among experts and decision-makers from across the world. It was designed to draw lessons for improving government performance management and practices in India.

We wish to congratulate the Performance Management Division, Cabinet Secretariat, Government of India for its steadfast commitment to further sharpen the comprehensive Performance Monitoring and Evaluation System (PMES) for Government Departments initiated by the Government of India (GOI) in 2009. The Performance Management Division was meticulous in selecting some of the best examples in government performance management from across the world and we hope officials will find the lessons gleaned from these global examples of value. The United Nations Development Programme (UNDP) is privileged to have supported the Performance Management Division, Cabinet Secretariat, Government of India and the IPE along with the World Bank in the organising the Global Roundtable.



Lise Grande
United Nations Resident Coordinator and Resident Representative
United Nations Development Programme

List of Abbreviations

ANAO	Australian National Audit Office
APP	Annual Performance Plans
ARC	Administrative Reform Commission
ATF	Ad-hoc Task Force
BPA	Budgetary Performance Assessment
CCC	Citizens'/Clients' Charter
COAG	Council of Australian Governments
CPA	Comprehensive Performance Assessment
CPGRAMS	Centralised Public Grievance Redress and Monitoring System
CPSE	Central Public Sector Enterprises
CSR	Comprehensive Spending Review
DELs	Departmental Expenditure Limits
DoF	Finance & Deregulation
DPME	Department of Performance Monitoring and Evaluation
DSOs	Departmental Strategic Objectives
FAF	Financial Accounting Foundation
FGPGs	Federal Government Priority Goals
FGPP	Federal Government Performance Plan
GAO	Government Accountability Office
GARSPP	Generally Accepted Reporting Standards for Public Performance
GASB	Government Accounting Standards Board
GDP	Gross Domestic Product
GOI	Government of India
GPEC	Government Performance Evaluation Committee
GPRA	Government Performance Results Act
GPRMMA	Government Performance Results Management Modernisation Act
GWME	Government-Wide M&E
HPC	High Power Committee
HPPG	High Performance Priority Goals
IAS	Indian Administrative Service
IEBP	In-depth Evaluation of Budgetary Programs
IPF	Integrated Performance Framework
IPMF	Integrated Performance Management Framework
IRBM	Integrated Result Based Management
KPIs	Key Performance Indicators

KRIs	Key Result Indicators
M&E	Monitoring and Evaluation
MAF	Management Accountability Framework
MBS	Modified Budgeting system
MHA	Ministry of Home Affairs
MOU	Memorandum of Understanding
MPAT	Management Performance Assessment Tool
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NAs	National Agreements
NES	National Evaluation System
NPA	National Planning Agency
NPM	New Public Management
OBB	Outcome-Based Budgeting
OMB	Office of Management and Budget
OPP	Office for Public Performance
PAA	Programme Alignment Architecture
PAPI	Public Administration Performance Index
PAR	Public Administration Reform
PB	Performance Budgeting
PCS	Performance Contracting System
PFM	Public Financial Management
PGMA	Performance Goal Management System
PM&C	Prime Minister & Cabinet
PMDU	Prime Minister' Delivery Unit
PMES	Performance Management Evaluation System
PMF	Performance Measurement Framework
PMS	Performance Management System
PoA	Programme of Action
PPBS	Programme Performance Budgeting System
PSAs	Public Service Agreements
PSD	Public Services Department
RBM	Result Based Management
RFD	Results-Framework Document
RFMS	Results-Framework Management System
SABP	Self-Assessment of Budgetary Programme
SDAs	Service Delivery Agreements
SI	Success Indicator
SR	Spending Review
TBS	Treasury Board Secretariat

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Introduction to Global Roundtable











Clockwise: **Mr. Ajit Seth**, Cabinet Secretary, Government of India; International Experts at Rashtrapati Bhawan, **Dr. Heru Prasetyo**, Deputy Head, Indonesia's President's Delivery Unit (UKP4); **Ms. Lise Grande**, United Nations Resident Coordinator and Resident Representative, UNDP; Inaugural Session (L-R **Mr. Ajit Seth**, Cabinet Secretary, Government of India, **Dr. Prajapati Trivedi**, Secretary, Performance Management, **Prof. R. K. Mishra**, Director, Institute of Public Enterprise).

Introduction to Global Roundtable

The Institute of Public Enterprise (IPE) organised the *Global Roundtable on Government Performance Management* on December 11-12, 2013 in collaboration with the Performance Management Division, Cabinet Secretariat, Government of India, UNDP and World Bank under the auspices of Community of Practice GO-PEM-PAL (Government Performance Management Peer Assisted Learning). GO-PEM-PAL is a community of practice on Government Performance Management (GPM) which has been established with an aim to provide a platform for discussions and function as a repository of International best practices in Government Performance Management.

Background

No civilised society can function effectively without an effective government. All countries use government as a mechanism to provide services that benefit all citizens: police, judicial services, national defense, and municipal services. Government also serves as a means of making some of the most important collective decisions: nature of the health system, education system, water and sewage system, roads and highways system. Given this pervasive nature of government, its performance has a direct bearing on the welfare of citizens.

Enhanced government effectiveness not only affects the welfare of citizens in the short run but also in the long-run. In the increasingly globalised world, government effectiveness is the key determinant of a country's competitive advantage. Experts agree that in the long run, race among nations will be won or lost not on the basis of comparative advantage arising from resource endowment, but by the competitive advantage created by effective governments.

Both federal and state governments around the globe are under increasing pressure to provide results that matter to the public, often within severe resource constraints. At the same time, government officials and managers are challenged to overcome the public's lack of trust in government at all levels. Thus, this is the time for governmental leaders to ensure that the organisations they lead are taking responsibility for achieving results that matter to the public – by implementing effective government performance management systems

The *Global Roundtable on Government Performance Management* was inspired by our belief that knowledge sharing is one of the best ways to learn. Thus, the Roundtable was aimed at bringing together nations that are front runners in the field of Government Performance Management to share their knowledge and experience in this field. What made this Roundtable unique was its ultimate objective - to study, compare and contrast each participating country's experience, system and knowledge with the Indian system. This compendium is the compilation of this exercise.

Purpose

One of the main reasons for organising this Global Roundtable was to take stock of the global best practices in Government Performance Management. Till date, no such event had been organised to bring together leading researchers and practitioners of Government Performance Management (GPM) from around the world. Furthermore, with unstable economic, social and political scenario globally, the need for documenting and improving leading GPM practices has never been greater. Thus, the Roundtable was organised keeping in view a three-fold aim: (i) to document the current GPM practices around the globe, (ii) to compare and contrast these systems with the Indian system and identify potential areas for improving the Indian system and (iii) to raise awareness about GPM practices in India and abroad amongst senior Indian Government officials. The intention behind the event was to add to the existing literature on performance management through documentation. This initiative also enriched India's effort to strengthen the community of practice on government performance management by bringing in new members for knowledge sharing and codification. The ultimate aim of the event was to identify ways to fine tune the Indian PMES/RFD system and increase the international membership of the global community of practice on '*Government Performance Management Peer Assisted Learning*' (GO-PEM-PAL).

Event

As mentioned above, the prime focus of the Global Roundtable was to collate the global best practices on GPM and facilitate the comparative analysis of these systems with the Indian GPM system. Seventeen senior government official, and renowned GPM practitioners representing eleven different countries participated in the Roundtable. They shared their views, knowledge and experience in the area of GPM and benchmarked their country system with the Indian system.

The Roundtable was inaugurated by Shri Ajit Seth, Cabinet Secretary, Government of India. In his inaugural speech, he welcomed all the participants and the international experts and conveyed his best wishes

to them for a fruitful event. Dr. Prajapati Trivedi, Secretary Performance Management, Cabinet Secretariat, Government of India gave the welcome speech highlighting the relevance and need for such in-depth discussions on the topic. He laid stress on its importance and relevance for countries globally. Prof. R. K. Mishra, Director, IPE thanked the Cabinet Secretary and Secretary, PM for their support, and also the participants for taking out time to attend the roundtable. Over two hundred and fifty senior Central and State Government Officials, Ad-hoc Task Force (ATF) members and renowned academicians attended the event.

One of the distinctive features of this Roundtable was that each international expert, representing a country, was paired with a member of the ATF of Performance Management Division, Cabinet Secretariat as Country Discussants. The ATF consists of distinguished former Secretaries and Chief Secretariats to the Government of India, academicians and former Chief Executives of Central Public Sector Undertakings (for more details please see Annexure F). The ATF members were the Country Discussants and helped the international speakers understand the Indian system and aided the Indian audience in understanding the foreign system. These ATF-Discussants are the authors of the country papers in this compendium. Each article aims to provide an outline of the country's profile, its GPM practices, its similarities and differences with the Indian GPM system and lessons that India can learn from the concerned country. The authors have tried to capture their learning from the Roundtable and present to the reader in a way that is easily comprehensible by all.

Another unique aspect of this event was that along with the ATF-Discussants, current Secretaries to the Government of India and Chief Secretaries of the States, also participated in the event as Country Discussants. During the Roundtable, each international expert presented the GPM practice of their country to the audience, followed by a presentation highlighting the similarities and differences of the said country with the Indian GPM system by the ATF-Discussant. After the presentation by the ATF-Discussant, the Secretary-discussants spoke about their learning followed by a question-answer session with the audience (for details about the structure of the roundtable, please see Annexure A).

Outcome

The Global Roundtable on Government Performance Management has many outcomes such as increased awareness regarding cutting-edge GPM practices worldwide amongst the Indian Government officials, and improved understanding of GPM practitioners regarding international best practices in this area. Another key outcome of the Global Roundtable is this compendium. It is a compilation of the Roundtable Proceedings containing valuable knowledge and experience that was shared by the experts and generated during the discussions.

Each country paper, has been authored by an ATF-Discussant based on in-depth discussions and learning during the Roundtable. The India paper has been authored by Dr. Prajapati Trivedi, Secretary, Performance Management, Cabinet Secretariat. All articles are structured on the same pattern to make it easier for the readers to assimilate the information. They are written with a view to compare and contrast the GPM system in the concerned country with the Indian GPM system. Thus, the India paper sets the background against which each of the other country papers are written.

Conclusion

The objective with which the Roundtable was organised has been achieved to a great extent. We have been able to successfully document the various GPM initiatives being implemented globally and also identify key lessons for India. For instance, from USA, India can adopt the robust legal framework to bring in the necessary focus on GPM; and from Vietnam and South Africa, India can learn how to bring in the key stakeholder which is the citizen for making the performance management system meaningful and real. The compendium highlights all such lessons that can be learnt, adopted and implemented in India to make the Indian GPM system most rigorous and strong.

Bibliographical Reference

For more information on the countries and the Global Roundtable, please visit: www.gopempal.org



Summary of Country Experiences



Government Performance Management System
Summary of Country Experiences

P. Geeta*

India

In order to effectively establish performance culture, the Government of India established a Performance Management Division (PMD) in the Cabinet Secretariat in January 2009. The PMD is oversight agency responsible for establishing mechanisms for performance monitoring and performance evaluation in government departments on a regular basis. Each government agency is responsible for preparation of a Results-Framework Document (RFD) highlighting the departmental objectives and priorities for each financial year as well as reporting achievements of the department against pre-specified targets indicated in their RFD at the end of the year.

A High Power Committee (HPC) for Government Performance, chaired by Cabinet Secretary, has been constituted by Government of India to vet the quality of design of Results-Framework Documents as well as the achievements of each Ministry/Department against performance targets laid down. To ensure highest level of objective and professional scrutiny, Cabinet Secretariat is assisted by an independent group of experts called Ad-hoc Task Force (ATF) consisting of distinguished academicians, domain experts, former Secretaries and Chief Secretaries to the Government of India, former Chief Executives of Central Public Sector Enterprises (PSUs) and retired Corporate Heads of reputable private enterprises.

Australia

The Australian system of government performance management evolved in three phases. In 1986-87, government started systematically evaluating all government programs every three-five years. In 1996-2007, a Performance Framework with focus on Outcome & Outputs was developed. Monitoring of Performance Indicators was also initiated providing greater accountability reporting to the parliament. From 2007 till date, evidence-based evaluation and monitoring framework has been in place with focus on outcome and outputs, programme budgeting, evaluation and review. The Department of Finance provides guidelines on outcome agreements and performance reporting sector-wise. Reporting is done by various government agencies in terms of submitting annual reports and portfolio budget statements. Reports are submitted to the Parliament and are put out for public viewing.

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The current system in practice in Australia is intergovernmental agreement on federal financial relations. This agreement is done between the Commonwealth of Australia and States and Territories, signed by the Prime Minister and heads of State. This agreement implements a new framework for federal financial relations which will provide a robust foundation for collaboration on policy development and service delivery and facilitate the implementation of intergovernmental agreement economic and social reforms in areas of national importance. The key objectives are: collaborative working arrangements, including clearly defined roles and responsibilities and fair and sustainable financial arrangements, to facilitate a focus by the parties on long-term policy development and enhanced government service delivery; enhanced public accountability through simpler, standardised and more transparent performance reporting by all jurisdictions, with a focus on the achievement of outcomes, efficient service delivery and timely public reporting; reduced administration and compliance overheads; stronger incentives to implement economic and social reforms; the on-going provision of Goods and Services Tax (GST) payments to the States and Territories equivalent to the revenue received from the GST; and the equalisation of fiscal capacities between States and Territories.

Principles of the Guidelines issued by Federal Government are Primary Responsibility for service delivery, Focus on improving the wellbeing of Australians, Coordinated Federal Action, Accountability, Financial Support, Greater incentive for economic & social reforms. Agreements are of various kinds- National Agreements (NAs) focuses on high level public accountability for outcomes. Reform-based National Partnership Agreements (Reform NPs) include intermediate outcomes or output measures that are developed with the same conceptual link between performances measures and the desired outcome and Project NPs which are solely project-based should be limited to milestones, defined as the completed phase of a project.

Brazil

The efforts towards GPM system in Brazil can be traced to the Administrative Reforms initiated by the then Minister for Administrative Reforms, Luiz Carlos Bresser-Pereira, in 1995. High inflation and budgetary deficits were important drivers for this change. The circumstances in which the country was placed and the personality of Bresser-Pereira, a well-known economist as well as a Minister and a close confident of President Cardoso, helped push the agenda for New Public Management and administrative reforms from 1995 to 1998 and again from the year 2002, a movement which has now continued. The reforms were patterned on the 'managerialism' model developed in the Anglo-Saxon countries during the Thatcher years.

Under the reform process, Brazil took up an Integrated Development Plan (PMDI), comprising a long-term plan, a medium-term plan and a short-

term plan by the agencies. PMDI presented the future vision and long-term plan for public sector performance. It broadly outlines national targets which are at the core of national transformation and are to be achieved through implementation of various programs and their respective strategic projects and processes. The medium-term planning tool is the Multi-Year Government Action Plan (PPAG) which specifies products and services to be delivered to society by region, with their respective amounts and values. It matches the strategic goals and core indicators described in the PMDI with government programs and actions throughout a four-year period. Management Information and Planning System (SIGPLAN) is a computerised management tool provided by the Federal Government to the states to monitor the execution.

In Minas Gerais, the third biggest Brazilian state in terms of population and economy, the GPM system evolved in 2003 from a public sector reform agenda known as the 'Management Shock'. Aimed to control the fiscal crisis facing the state, the shock therapy combined traditional fiscal adjustment measures like controlling the public expenditure, with innovative activities to modernise the underlying administrative structure and introduce a results-based management system. The fundamentals of the GPMS in Minas Gerais are strategy implementation by means of performance agreements, alignment and incentives, strategic human resource management, participative management involving society, rational use of resources and integration of services. Results Agreements (RA) were an important element of the Management Shock programme designed to ensure the achievement of the desired results through the generation of commitments towards the agreed goals. These are performance contracts, whose primary aim is to align the Government strategy establishment in the Integrated Development Plan (PMDI) and the organisations responsible for its implementation.

GPM system in Minas Gerais (MG) has a two-pronged strategy to inject transparency at both the level of society as well as agency. Currently, there are 68 results agreements in force, covering 97% of the state's agencies. The RA is set annually at two levels. Level one is an agreement between the Governor and 22 groups of secretaries. At this stage, targets and indicators are agreed for: development results (outcomes), priorities, strategic initiatives and quality of expenditure. The level-two agreement is signed between the head of the secretariat and its operating units. It helps in cascading of targets agreed at the first level to all levels in the government. The level two agreement is thus a tool for internal management of each agency, with a view to directing the efforts and resources of each work team, ensuring better quality of services. RA has been able to successfully introduce transparency and accountability in relation to the proposed results and the resources allocated. It has enabled the MG government to implement a results-oriented culture and stimulate performance through productivity awards and variable pay.

Canada

The performance monitoring system was developed in order to fight deficit and control new spending. In 1995, Programme Review was done for entire spending base, late 1990s - budget surpluses lead to new spending without an anchor to discipline. Subsequent deliberations in this regard culminated in the formal implementation of Government Performance Measurement System in 2005. The two basic attributes of the present system are:(1) it is an integrated system, (2) has policy-driven approach

The Expenditure Management System was established to support the Government in the identification and implementation of its priorities and spending plans within the fiscal limits established by the budget. These priorities are then included in the Report on Plans and Priorities, tabled in Parliament each year as part of the Main Estimates, and their progress reported in Parliament the subsequent year in the Departmental Performance Report. The Reports on Plans and Priorities and Departmental Performance are written in a manner that conforms to the Treasury Board Policy on Management Resources and Results Structure (MRRS), which specifies how to describe programs (and the financial and personnel resources allocated to them), as well as set out end results sought and the indicators of performance used to measure if these results are being achieved. It is comprised of a number of processes, roles, responsibilities and procedures established to support the Government in achieving aggregate fiscal discipline (i.e. control of overall growth in spending); effective allocation of government resources to areas of highest relevance, performance and priority; and efficient and effective programme delivery.

The key features of this GPM system includes that all spending must be managed to transparent results/outcomes for clear measures for performance, assessed and evaluated systematically and regularly and demonstrate value for money. Further, consequences are meted out for poor performance on a couple of levels. First, on the budgetary level, if programs are performing badly, they are evaluated and reported on and they become part of the periodic strategic reviews of programs. Poorly performing programs may be subject to budget cuts or terminations and resources reallocated to high performing, high priority programs. Consequences are also meted at the level of individuals. Ministers are held to account for their performance and that of their programs in Parliament by the opposition and in Cabinet by the Prime Minister and colleagues. Deputy Ministers' performance (and that of the programs for which they are responsible) is also assessed, in part through the annual Management Accountability Framework assessments, and the feedback that is provided to the Committee of Senior Officials, chaired by the Clerk, which recommends their performance pay.

Legal framework was established to support performance measurement and monitoring. The Financial Administration Act was brought in which states that the Government needs the Parliament's authority in order to make payments. The authority is provided through legislation, either specific legislation or an appropriation act. The specific legislation deals with a particular type of payment and contains provisions governing the dollar amount, purposes and time period for the payments. The approval provided is referred to as a Statutory Authority. For example: Major transfer payments to people and other levels of government, such as Employment Insurance and the Canada Health Transfer to provinces. An Appropriation Act provides authority for a fiscal year which is called a Voted Authority. Approximately 2/3 of government spending is authorised under statutory authorities; 1/3 through appropriation acts. Supply is the process by which the Government obtains Parliament's authority through appropriation acts. In approving an appropriation act, Parliament authorises a particular amount which the departments may spend. If they spend more or less than that amount, the authority to spend, lapses.

Further, with regard to the overall audit regime, it essentially consists of three parts: first, the Auditor General, an agent of Parliament (not the executive) audits (both financial audits and performance audits) departmental spending and reports at least twice a year to the Parliament (and appears before the Public Accounts Committee) to explain the results of those audits; second, the Comptroller General of Canada (part of the executive) undertakes horizontal audits of government spending on areas deemed to be of high risk as well as (financial) core control audits of small departments and agencies that do not have a strong internal audit capacity. These reports are reviewed by the Government of Canada Audit Committee (based in Treasury Board Secretariat, and made up of non-government members) and made public on the Treasury Board website. And finally the Chief Audit executives in each of the departments and agencies audits the departments own spending in areas deemed by the deputy minister and audit committee to be of high risk. The audits are reviewed by the departments audit committee (made up of non-government members) and are shared with the Comptroller General of Canada. They are also published on the department's website.

Indonesia

In the backdrop of the country facing several economic challenges a major initiative was taken by the Government of Indonesia to revamp the system. The Government identified several challenges to accelerating development such as prevalence of ethically challenged practices which had spread wide across various sectors like permits, taxes and customs, land, and labour. Delegation and autonomy at the local levels was another major challenge faced by the country. Coordination was a major issue here. The other big challenge was the attitude of the bureaucracy.

Thus the GPM system in Indonesia emanated largely from the existing Governance Deficit. The current Indonesian President converted his electoral campaign promises into vision, mission and charter of his new government. In 2011, UKP4 a strategic delivery unit, was set up under the direct supervision of the President for ensuring delivery of Government's Developmental Programs. UKP4, located in Vice President's office would be eyes, ears and extended arms of President. Main duties of UKP4 are to assist President in developing, monitoring and oversight of national programmes and assist him in supervision and control so that all targets are met. Priority duties of this unit were determined by the President. This unit was meant to develop an overall understanding of the challenges that the country faced in implementing a development agenda and develop effective systems for monitoring. The unit has three major responsibilities, which include monitoring government programs; debottlenecking and policy monitoring; and establishing and operating the Bina Graha – the Situation Room.

UKP4's objectives included:

- Improve capacity and effectiveness of logistic system;
- Improve the effectiveness and acceleration of bureaucracy reform and delivery of public services;
- Improve business and investment climate;
- Improve the performance and accountability of strategic State-owned Enterprises;
- Other areas to be specified by the President.

As per the scheme of things under UKP4, various Ministries prepare strategic plans for their development programs, based on a set of focused national priorities which include bureaucratic reform and governance; education; health; poverty reduction; food security; infrastructure; investment and business climate; energy; environmental issues and so on. Eleven major priorities were taken up and later three more were added involving 45 ministries, 70 programmes, 370 indicators, 155 action plans. The focus was on easily measureable, quantifiable, verifiable indicators. Simplicity, ease of reporting, and attention in media were the norms applied. The UKP4 undertakes monitoring, verification of results and reporting and ensures that these programs run smoothly to achieve their assigned goals. The unit is provided full authority to monitor each Ministry's implementation of the President's policies.

UKP4 also monitors to what degree the local government applies the action plan designed by the central government. The results of monitoring activities are reported to the President and Vice President bi-monthly in order to facilitate more accurate decision-making. The Bina Graha Situation Room is designed to acquire reports on national project implementation

and facilitate efficient decision making. The entire operation is Geographic Information System-based.

In 2011, UKP4 launched a Web and SMS accessible Public Participation Information System called 'Lapor', which means 'to report' in Indonesia. The purpose of this was to get information from the public on variety of issues that included corrupt practices of local officials, status of projects on the ground, local problems faced by the people etc. The information received is first evaluated for authenticity, relevance etc. and then action taken on it or further information called for. Thus the UKP4's mandate is limited, but provides useful assistance to President and Ministers.

Kenya

Performance contracting system in Kenya was introduced in 2004 to enhance efficiency of public sector organisations. Performance contracts are implemented by all departments, state corporations, public universities, and tertiary institutions. Agencies develop a 5-year strategic plan which is mandatory under the system. The performance contract is a performance agreement between government and the management of the agency which details out the performance targets, and assigns appropriate weightage to the criteria proposed to be achieved at the end of each year. The contracts in Kenya have an important feature as they indicate the service delivery standards of the agencies involved which are also assigned appropriate weightages. Evaluation of performance is carried out by external experts who are not public servants. A five-point rating scale is used to rank the performance of agencies under the performance contract. The system is wholly web-based and is administered by external experts from private sector, professional associations and the academia. Government therefore does not evaluate its own performance. Another important feature of the system is that the government takes up customer satisfaction surveys to assess the service delivery levels and satisfaction of people.

The System of Performance Contracting is currently administered by the Performance Contracting Division in the Department of Planning and Devolution, in the Office of the Prime Minister.

Malaysia

Performance Management System in Malaysia evolved over the years as a part of the budgetary systems and the desire of the administration to give visibility to the attainment of budgetary objectives. It started with a traditional budgeting system in 1957-1968 wherein priority was given to programming of inputs. In 1969-1989 programme performance budgeting system was introduced to meet development challenges. Agencies were directed to identify clearly their missions and objectives of their programs and projects. In 1990-2012, the Modified Budgeting System (MBS) was

introduced with an emphasis on Empowerment and Accountability and with more focus outcomes of the department.

Results Based Management (RBM) started with the introduction of Programme Performance Budgeting System (PPBS) in the 1960s with an attempt to focus on results and objective achievement. An integrated RBM system was developed in the late 1990s which was based on the performance framework that was first introduced in the Malaysian public sector. However, the original performance framework did not take into account full integration between the operating and development budgets as well as the personnel performance management. There was also a marked absence of tight links between budget performance and policy implementation. These were identified as fundamental missing links in the earlier version of the RBM system. This resulted in the development of an Integrated Performance Management Framework (IPMF) resembling a strategic performance plan for the public sector entity. The IPMF basically requires top management within the Ministry and Departments to be actively involved in strategic performance planning and active consultation and consensus building with the lower accountability levels. This is in line with the top-down and bottom-up approach in the IRBM system. This strategic performance planning process essentially focuses on citizens/ client and their needs/problems analysis and on results at the various stages of implementation such as resource utilisation (inputs), activity completion, output generation, and outcome/impact achievement.

The entire IRBM initiative is coordinated through a national steering committee chaired by the Secretary General of the Ministry of Finance. The Programme Agreement is an annual contract between the Ministries and the Treasury's Budget Division. If the performance of the agency is beyond the acceptable variance range specified in the Programme Agreement, the Ministry has to prepare an exception report to explain the variance.

The cornerstone of the IRBM is its detailed but practical focus on systematic and structured performance measurement and its linkages with policy-making, resources management, programme performance improvement, and other critical success factors in performance management. The IRBM system is made up two primary components and three complementary components. The two primary components are Results Based Budgeting System (RBB), and Results Based Personnel Performance System (PPS). While the three complementary components are Results Based Management Information System (MIS), Results Based Monitoring& Evaluation Framework (M&E) and E-Government (EG) system.

Under the IRBM, every Ministry is required to carry out evaluation of its programme on an annual basis. Malaysia has opted for the Internalised

Evaluation Model which they find useful as they regard evaluation as a continuous development process and not just a report card process. The Government in Malaysia does not publish the composite scores but the results are presented to Parliament which can then be assessed by the public. The Performance Budget, Outcome Budgets and Performance Agreements and results are all published as a single document.

South Africa

In South Africa the performance assessment of government agencies are carried out based on its alignment with the national priorities (outcomes). There is an interesting feature in South Africa where the M&E of front-line service delivery is also done in terms of unannounced visits, Presidential Hotline, Citizen-based Monitoring, Government-wide M&E System and monitoring of local government. The evaluation system makes it mandatory for the Departments to submit proposals for intervention to evaluate (policies, programmes, projects) as they have to own the evaluation and implement the findings. Evaluations are made public unless security concerns are there and all evaluation reports in the national system go to Cabinet (which approves the plan) and then to Parliament. If evaluations identify weaknesses, then there must be an improvement plan which is monitored.

A Steering Committee makes decisions on evaluation not Department and external service providers undertake the evaluation reporting to the Steering Committee to ensure independence of the evaluation. While to ensure quality, peer reviewers (normally two) per evaluation are carried out. Evaluation panel, standards, guidelines and training are done for maintaining the quality standards.

At cutting edge service delivery points monitoring usually involves unannounced visits to front line services, like police stations, clinics, home affairs offices, social grant offices, interviewing citizens, front-line staff and management, focus on service standards, queues, attitude of staff, cleanliness of facilities, etc., are assessed. Presidential Hotline is another important feature which receives almost, 137 000 calls, which are individually followed up. To provide an integrated and holistic picture of performance for each municipality, indicators of management performance-planning, human resources, finances, community engagement, and governance are developed and monitored. Indicators for assessing service delivery performance are also developed to enable strategic leadership of local government sector and inform policy reform initiatives; provide evidence for tailored and coordinated support/intervention measures to specific municipalities; guide national and provincial departments to better support municipalities in identified areas of underperformance.

South Korea

In the context of South Korea, the monitoring of performance of government agencies is done by National Audit Office (NAO) and this system has been in place since 1961. By the year 2000, monitoring focus has moved from process to output/outcome. Performance budgeting made it mandatory for agencies to develop strategic objectives, performance goals, performance indicators. In 2005, Budgetary Programme Assessment (BPA) was initiated wherein 1/3 of major budgetary activities are evaluated every year. This model was based on the PART (Programme Assessment Rating Tool) used by the United States. In 2014, Performance Information (PI) Board & BPA was set up to reviews all budgetary activities through PI Board. A National Finance Act was enacted in December, 2006 to provide a legal basis for public financial management reforms.

The GPM system starts with the Prime Minister's Office which draws up a comprehensive framework for the system and monitors the implementation based on the guidelines provided by the Government Policy Evaluation Framework Act'. The Ministry of Strategy and Finance (MoSF) is the oversight agency. The evaluation of managerial performance is taken up for all public entities including state enterprises and quasi-government entities. At the local administration levels, the Ministry of Security and Public Administration & Security (MoSPA) reviews their financial performance. Various line Ministries perform their own monitoring & evaluation.

One very interesting feature in the Korean system is the monitoring & evaluation of the executive branch is supplemented by the public research institutes and external experts. Although the relevant central Ministry provides key inputs into evaluation process, most evaluation activities are conducted by the public research institutes or evaluation committees consisting of experts. Some line ministries have their own evaluation unit, but many of them rely on the public research institutes and experts. The National Audit Office is responsible for taking up traditional audit, performance audit, examination of annual performance report from the Central Government.

United Kingdom

The Government of UK laid great emphasis on improving public services since the early 1990s. Initially, the performance reviews started with the HM Treasury initiating a Comprehensive Spending Review to set expenditure limits and focuses on Government Department's spending requirements. Later on the scope expanded and this review was followed by entering into Public Service Agreements (PSAs) with the government agencies clearly defining the key improvements that the public can expect from these resources.

PSAs were first introduced in the 1998, which attempted to establish a link between agency spending and standard of public service being offered by

the agencies. During the initial years though, the PSAs were fairly raw and a generic format was used for all the agencies which were only later tailor-made and fine-tuned. PSA details out the aims and objectives of agencies for a three-year period and describes how targets will be achieved and how performances against these targets will be measured. Initially as a part of the comprehensive spending review around 600 performance targets were identified for around 35 Government Departments. Later on it was refined in the CSR in 2000 and the number of top level PSAs was reduced to around 160, covering 18 departments. In the year 2002, Spending Review reduced the number of PSA targets from 160 to 130. The number of PSA targets after the 2004 Spending Review came down to 126. So as of today, there are around 126 performance targets against which the review is conducted.

The Service Delivery Agreements (SDAs) are made at the Departmental/ Agency levels which have lower level set of targets for the purpose of agency delivery activities and were in sync with the PSAs. In the year 2004, during the Spending Review, the Government realised that they had made considerable progress with the PSA framework and reduced the number of PSA targets as they had achieved national standards established. Therefore they wanted to focus on local public service agreements with local authorities to prioritise issues at local levels. At this point SDAs were abolished. The SDAs were replaced by Delivery Plans for each department/agency. Unlike SDAs, there is no requirement to publish these Plans. Local performance standards and local publication of performance indicators and targets replaced national targets.

United States of America

In the US, the Government Accountability Office (GAO) was established in 1921 to review the public spending of Government. In 2004, the role of GAO enlarged and the function of performance audit along with financial audit was included. In the year 1993, a robust law was enacted entitled- The Government Performance and Results Act of 1993 (GPRA) with an objective to improve project management and enhance service delivery efficiency of Government Departments. The act made it mandatory for all the government agencies to design mechanisms for improved performance by setting goals, measuring results and reporting progress. In 2010, President Obama improvised and renamed the law 'Government Performance and Results Modernisation Act' (GPRMA 2010) which made is mandatory for the agencies to publish their strategic and performance plans and reports on websites. The Act provided scope to adopt latest practices from State, local, international examples into government processes.

The agencies are mandated to prepare Agency Strategic Plans, and Agency Performance Plan and place them on their organisation websites.

The main oversight agency responsible for the review is the Office of Management and Budget (OMB). Chief Performance Officer (CPO) appointed

by the President leading the review. Goals leaders drive the progress of the goals and review quarterly progress. The Performance Improvement Council (PIC) at the OMB is responsible for monitoring and review. The Chief Operating Officers (COOs) is the deputy head in each agency, and he is responsible for improving the management and performance of the agencies. Performance Improvement Officers (PIOs) are the senior executives of the agencies, with a responsibility to advice and assists the heads and deputy heads of the agencies, in areas like, goal setting, planning and performance measurement.

Vietnam

The performance management system in Vietnam basically rests on the concept called PAPI (Provincial Governance and Public Administration Performance Index). This is a policy monitoring tool on largest nationwide governance and public administration survey in Vietnam, based on which monitoring changes in government performance have been carried out. Voice of Vietnamese citizens about governance and public administration experiences is taken into consideration as a part of this survey. Since 2010 more than 32,500 citizens surveyed and in 2012 alone: 13,747 citizens. This survey provides evidence and data to policy makers and a complement to self-assessments and other surveys.

PAPI measures how citizens experience implementation of policies, laws and regulations. PAPI is a barometer of performance and it assesses the effectiveness of policy making, policy implementation by government agencies at the state and central levels as well as policy monitoring in terms of outputs, outcomes delivered to the society. The inputs include state investments in terms of policies, institutions, finance and human resources. The processes include operation and implementation processes by state and executive agencies and the outputs include products and services provided by state and executive agencies to organisations and individuals.

PAPI provides an overview of performance nationwide. The dimensions included are (1): Participation at local levels, (2): Transparency, (3): Vertical Accountability, (4): Control of Corruption, (5): Administrative Procedures, (6): Public Service Delivery.

Bibliographical Reference

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India



India at a Glance

Capital	New Delhi
Government	Federal Parliamentary Constitutional Republic
Population	1.252 billion (2013)
Area	3,287,590 km^2 (7^{th} in the world)
GDP	$1.877 trillion (2013)



India

Performance Monitoring and Evaluation System (PMES)

Prajapati Trivedi*

1. Introduction

To improve performance of any organisation we need a multidimensional effort. Experts believe that the following three systems are necessary for improving performance of any organisation: (a) Performance Information System, (b) Performance Evaluation System, and (c) Performance Incentive System.

A *performance information system* ensures that appropriate information, in a useful format, is available in a timely manner to stakeholders. A *performance evaluation system* is meant to convert, distill and arrange this information in a format that allows stakeholders to assess the true effectiveness of the organisation. Finally, no matter how sophisticated the information system and how accurate the evaluation system, performance of any organisation can improve in a sustainable manner only if it has a *performance incentive system*. A performance incentive system links the performance of the organisation to the welfare of its employees. This allows the employees to achieve organisation objectives in their own self-interest.

These three sub-systems are as relevant for the public sector as they are for the private sector. Within the public sector, these systems are equally important for Government Departments and state-owned enterprises or public enterprises. While the focus of this paper is on the performance management of Government Departments, occasional references and comparisons will be made to the public enterprise sector as well.

While a truly effective Government Performance Management (GPM) system must include all three sub-systems, more often than not, most countries tend to focus on only one or two of the sub-systems mentioned above. Even

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when countries take actions covering all three sub-systems, often these sub-systems are not adequately dealt with or organically connected to each other for yielding desired results.

This was also the case in India till September 2009. There were a plethora of actions and policies in all three areas but they remained sporadic and fragmented efforts. In the area of performance information the following initiatives come to mind immediately: the enactment of the Right to Information (RTI), publication of annual reports by departments, *suo moto* disclosure on departmental websites, creation of an independent Statistical Commission to bolster an already robust statistical tradition, reports of the Planning Commission, certified accounts of Government Departments by Controller General of Accounts, audit reports by Comptroller and Auditor General, free media and its reports on departments, outcome budgets and, finally, reports of the departmental standing committees of the Indian Parliament. One could say that there was overwhelming amount of information available on Government Departments. Similarly, all the above sources of information provide multiple, though often conflicting, narrative on performance evaluation of Government Departments.

Similarly, a proposal for a performance incentive for Central Government employees has been around ever since the Fourth Pay Commission recommended introducing a performance related incentive scheme (PRIS) for Central Government employees and was accepted by the Government of India in 1987. This recommendation for PRIS was once again reiterated by the Fifth and Sixth Pay Commissions and both times, accepted by the then Governments in power. As of 2009, however, very little was done to implement a performance-related incentive scheme in the Central Government.

At the end of 2008, two major reports provided the impetus for action on this front. The 10th Report of the Second Administrative Reform Commission (2nd ARC) argued for introduction of a Performance Management System in general and Performance Agreements in particular. The Sixth Pay Commission, as mentioned earlier, submitted its report in 2008 urging for introduction of a Performance Related Incentive Scheme (PRIS).

After the election in 2009, the new Government decided to take action on both reports. Through the President's Address to the Parliament in June 2009, the new Government made a commitment to: 'Establish mechanisms for performance monitoring and performance evaluation in government on a regular basis'.

Pursuant to the above commitment made in the President's address to both Houses of the Parliament on June 4, 2009, the Prime Minister approved the outline of the *Performance Monitoring and Evaluation System (PMES)* for Government Departments on September 11, 2009. With the introduction of

PMES, a concerted effort was made to refine and bring together the three sub-systems. Before elaborating the details of PMES in the subsequent sections, it is worth outlining the key features of the System. The essence of PMES is as follows.

According to PMES, at the beginning of each financial year, with the approval of the Minister concerned, each Department is required to prepare a Results-Framework Document (RFD). The RFD includes the priorities set out by the Ministry concerned, agenda as spelt out in the manifesto, if any, President's Address, and announcements/agenda as spelt out by the Government from time to time. The Minister in-charge is expected to decide the *inter-se* priority among the departmental objectives.

After six months, the achievements of each Ministry/Department are reviewed by the High Power Committee on Government Performance, chaired by the Cabinet Secretary, and the goals reset, taking into account the priorities of the Government at that point of time. This enables the Government to factor in unforeseen circumstances such as drought conditions, natural calamities or epidemics.

At the end of the year, all Ministries/Departments review and prepare a report listing the achievements of their Ministry/Department against the agreed results in the prescribed formats. This report is finalised by the 1st of May each year and submitted for approval by the High Power Committee, before forwarding the results to the Prime Minister.

2. Origin of Performance Monitoring and Evaluation System (PMES)

The immediate origins of PMES can be traced to the 10th Report of the Second Administrative Reform Commission finalised in 2008. In Chapter 11 (see Box 1), the Report goes on to say:

> *'Performance agreement is the most common accountability mechanism in most countries that have reformed their public administration systems. This has been done in many forms - from explicit contracts to less formal negotiated agreements to more generally applicable principles. At the core of such agreements are the objectives to be achieved, the resources provided to achieve them, the accountability and control measures, and the autonomy and flexibilities that the civil servants will be given'.*

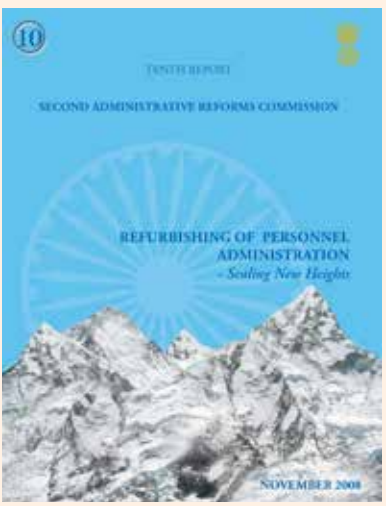
The Prime Minister's order of September 11, 2009, mandating PMES was based on this basic recommendation. However, the Government of India preferred to use the term Results-Framework Document (RFD) rather than Performance Agreement, which is the commonly used generic term for such policy instruments. Indeed, RFD is the centrepiece of PMES.

Box 1

Excerpts from the 10th Report of
Second Administrative Reforms Commission
(Chapter 11 on Performance Management)
November 2008

11.14 Performance Agreements

11.14.1 Performance agreement is the most common accountability mechanism in most countries that have reformed their public administration systems. This has been done in many forms - from explicit contracts to less formal negotiated agreements to more generally applicable principles. At the core of such agreements are the objectives to be achieved, the resources provided to achieve them, the accountability and control measures, and the autonomy and flexibilities that the civil servants will be given.



11.14.2 In New Zealand, for example, the Public Finance Act of 1989 provided for a performance agreement to be signed between the chief executive and the concerned minister every year. The performance agreement describes the key result areas that require the personal attention of the chief executive. The expected results are expressed in verifiable terms, and include output-related tasks. The chief executive's performance is assessed every year with reference to the performance agreement. The system provides for bonuses to be earned for good performance and removal for poor performance. The assessment is done by a third party - the State Services Commission. Due consideration is given to the views of the departmental Minister. A written performance appraisal is prepared. The chief executive concerned is given an opportunity to comment, and his/her comments form part of the appraisal.

11.14.3 The Centres de Responsabilite in France is another example. Since 1990, many State services at both central and devolved levels have been established as Responsibility Centres in France. A contract with their Ministry gives the Directors greater management flexibility in operational matters in exchange for a commitment to achieve agreed objectives. It also stipulates a method for evaluating results. Contracts, negotiated case by case, are for three years.

11.14.4 Reforms in these countries are instructive in the way accountabilities were clarified as a necessary first step. The important part of this clarifying process was that it was done by law. As a result of legal clarification of accountabilities, the civil servant in charge of a department became directly accountable to the departmental Minister through the annual performance agreement that was defined in advance and used as a benchmark for measuring end-of-the-period performance. In India, a provision in the proposed Public Services Law could be incorporated specifying that the heads of the line departments or of the executive agencies whenever they are set up, should sign annual performance agreements with the departmental Minister.

11.14.5 The performance agreements should be signed between the departmental Minister and the Secretary of the Ministry as also between the departmental Minister and heads of Department, well before the financial year. The annual performance agreement should provide physical and verifiable details of the work to be done by the Secretary/ Head of the Department during the financial year. The performance of the Secretary/Head of the Department should be assessed by a third party – say, the Central Public Services Authority with reference to the annual performance agreement. The details of the annual performance agreements and the results of the assessment by the third party should be provided to the legislature as a part of the Performance Budget/ Outcome Budget.

This recommendation of the Second Administrative Reforms Commission (2nd ARC) was, in turn, building on the recommendation of the L. K. Jha Commission on Economic Administration Reforms (1982). The L. K. Jha Commission had recommended the concept of Action Plans for Government Departments. The Government of India accepted this recommendation and implemented it for a few years. Action Plans were found to be ineffective as they suffered from two fatal flaws. The actions listed were not prioritised and there was no agreement on how to measure deviations from targets. As this paper will reveal later, the Performance Monitoring and Evaluation System (PMES) overcame these flaws in the Results-Framework Documents (RFDs) that replaced the instrument of Action Plans.

The real inspiration for the recommendations of the 2nd ARC regarding Performance Agreements comes from the 1984 report of Arjun Sengupta for Public Enterprises which recommended Memorandum of Understanding (MOU) for public enterprises. In concept and design, MOU and RFD are mirror images of each other, as will be discussed shortly.

3. Attributes of the Performance Monitoring and Evaluation System (PMES)

This is a system to both 'evaluate' and 'monitor' the performance of Government Departments. Evaluation involves comparing the actual achievements of a department against the annual targets at the end of the year. In doing so, an evaluation exercise judges the ability of the department to deliver results on a scale ranging from excellent to poor. Monitoring involves keeping a tab on the progress made by departments towards achieving their annual targets during the year. So while the focus of 'evaluation' is on achieving the ultimate 'ends', the focus of 'monitoring' is on 'means'. They are complements to each other and not substitutes.

To be even more accurate, PMES is not merely a 'performance evaluation' exercise, instead, it is a 'performance management exercise'. The former becomes the latter when accountability is assigned to a person for the results of the entity managed by that person. In the absence of consequences, an evaluation exercise remains an academic exercise. This explains why a large amount of effort on Monitoring & Evaluation (M&E) does not necessarily translate into either results or accountability.

Second, PMES takes a comprehensive view of departmental performance by measuring performance of all schemes and projects (iconic and non-iconic) and all relevant aspects of expected departmental deliverables such as: financial, physical, quantitative, qualitative, static efficiency (short-run) and dynamic efficiency (long-run). As a result of this comprehensive evaluation covering all aspects of citizen's welfare, this system provides a unified and single view of departmental performance.

Third, by focusing on areas that are within the control of the department, PMES also ensures 'fairness' and, hence, high levels of motivation for departmental managers.

These attributes will be discussed detail in the subsequent section of this paper.

4. How does PMES work?

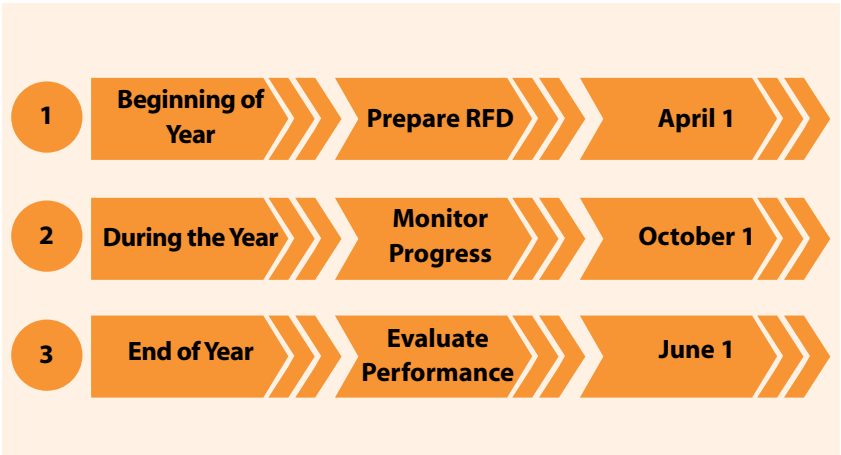
The working of the PMES can be divided into the following three distinct stages of the fiscal year:

a. Beginning of the Year (by April 1): Design of Results-Framework Document

b. During the Year (after six months - October 1): Monitor progress against agreed targets

c. End of the year (March 31): Evaluate performance against agreed targets

Figure 1: How does RFD work? (The Process)



4.1 Beginning of the Year (by April 1): Design of Results-Framework Document

As mentioned earlier, at the beginning of each financial year, with the approval of the minister concerned, each department prepares a Results-Framework Document (RFD) consisting of the priorities set out by the Minister, agenda as spelt out in the party manifesto if any, President's Address, announcements/agenda as spelt out by the Government from time to time. The Minister incharge approves the inter-se priority among the departmental objectives.

To achieve results commensurate with the priorities listed in the Results-Framework Document, the Minister approves the proposed activities and schemes for the ministry/department. The Minister also approves the corresponding success indicators (Key Result Indicators - KRIs or Key Performance Indicators -KPIs) and time-bound targets to measure progress in achieving these objectives.

The Results-Framework Document (RFD) prepared by each department seeks to address three basic questions:

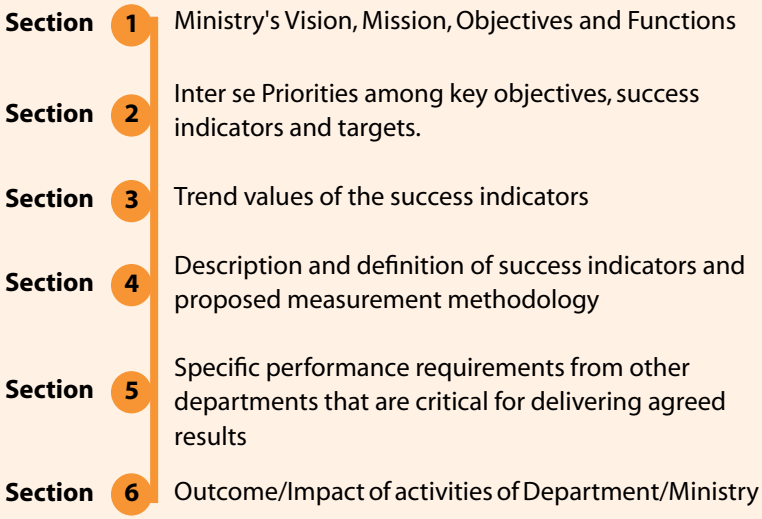
a. What are department's main objectives for the year?

b. What actions are proposed to achieve these objectives?

c. How to determine progress made in implementing these actions?

RFD is simply a codification of answers to these questions in a uniform and meaningful format. All RFD documents consist of the six sections depicted in Figure 2:

Figure 2: Six Sections of Results-Framework Document (RFD)



A typical example of an actual RFD is enclosed at Annex D. In what follows we will briefly describe each of the six sections of RFD.

Section 1: Ministry's Vision, Mission, Objectives and Functions

This section provides the context and the background for the Results-Framework Document. Creating a vision and mission for a department is a significant enterprise. Ideally, vision and mission should be a by-product of a strategic planning exercise undertaken by the department. Both concepts are interrelated and much has been written about them in management literature.

A vision is an idealised state for the Ministry/Department. It is the big picture of what the leadership wants the Ministry/Department to look like in the future. Vision is a long-term statement and typically generic and grand. Therefore a vision statement does not change from year to year unless the Ministry/Department is dramatically restructured and is expected to undertake very different tasks in the future. Vision should never carry the 'how' part since the 'how' part of the vision may keep on changing with time.

The Ministry's/Department's mission is the nuts and bolts of the vision. Mission is the 'who, what and why' of the Ministry's/Department's

existence. The vision represents the big picture and the mission represents the necessary work.

Objectives represent the developmental requirements to be achieved by the department in a particular sector by a selected set of policies and programmes over a specific period of time (short/medium/long). For example, objectives of the Ministry of Health & Family Welfare could include: (a) reducing the rate of infant mortality for children below five years; and (b) reducing the rate of maternity death by (30%) by the end of the development plan.

Objectives could be of two types: (a) Outcome Objectives specify ends to achieve, and (b) Process Objectives specify the means to achieve the objectives. As far as possible, the department should focus on Outcome Objectives.

Objectives should be directly related to attainment and support of the relevant national objectives stated in the relevant Five Year Plan, National Flagship Schemes, Outcome Budget and relevant sector and departmental priorities and strategies, President's Address, the manifesto, and announcement/agenda as spelt out by the Government from time to time.

Objectives should be linked and derived from the departmental vision and mission statements and should remain stable over time. Objectives cannot be added or deleted without a rigorous evidence-based justification. In particular, a department should not delete an objective simply because it is hard to achieve. Nor, can it add an objective simply because it is easy to achieve. There must be a logical connection between vision, mission and objectives.

The functions of the department should also be listed in this section. These functions should be consistent with the Allocation of Business Rules for the Department/Ministry. Unless they change, they cannot be changed in the RFD. This section is supposed to reflect the legal/administrative reality as it exists, and not a wish list.

Section 2: Inter se priorities among key objectives, success indicators and targets

This section is the heart of the RFD. Table 1 contains the key elements of Section 2 and in what follows we describe each column of this Table.

Column 1: Select Key Departmental Objectives

From the list of all objectives, departments are expected to select those key objectives that would be the focus for the current RFD. It is important to be selective and focus on the most important and relevant objectives only.

Table 1: Extract of Section 2 from the 2013-14 RFD of Department of Agriculture and Cooperation

Section 2: Inter se Priorities among Key Objectives, Success Indicators and Targets				
Column 1	**Column 2**	**Column 3**	**Column 4**	
Objective	**Weight**	**Action**	**Success Indicator**	
(1) Increasing crop production and productivity thereby ensuring food security and enhanced income level to farmers	15.50	(1.1) Preparation of tentative allocations & approval of State Action Plans for 2013-14	(1.1.1) Approval by 31.05.2013	
		(1.2) Release of funds to States/Institutions	(1.2.1) % of funds (R.E.) released by 31.03.2014	
		(1.3) Additional foodgrain production	(1.3.1) Additional production of 5 million tons over year (5 year moving average)	
		(1.4) Area expansion of pulses by promoting pulse cultivation in rice fallows, as well as intercrops and summer crops	(1.4.1) Increase in area by 1.5 lakh ha. over 5 year moving average	
		(1.5) NFSM Impact Evaluation Studies	(1.5.1) Completion of studies by CDDs and submission of report	
		(1.6) Monitoring and review of BGREI programme in all 7 States	(1.6.1) State visits twice a year	
(2) Incentivising states to enhance public investment in agriculture & allied sectors to sustain and maintain capital formation and agriculture infrastructure	9.00	(2.1) Incentivise states to make additional allocation in agriculture & allied sectors	(2.1.1) Increase in percentage points of States' plan expenditure in agriculture and allied sectors as per Point No. 3 of Annexure-II of RKVY Guidelines	

	Column 5	Column 6	Column 7				
	Unit	Weight	Target/Criteria Value				
			Excellent	Very Good	Good	Fair	Poor
			100%	90%	80%	70%	60%
	Date	3.50	31/05/2013	05/06/2013	10/06/2013	15/06/2013	20/06/2013
	Percent	3.00	95	85	75	65	60
	Million Tons	3.00	5.0	4.8	4.6	4.4	4.2
	Area	2.00	1.5	1.3	1.25	1.10	1.00
	Date	2.00	30/11/2013	30/12/2013	01/01/2014	28/02/2014	31/03/2014
	No. of visits	2.00	14	12	10	08	06
	% points	4.00	0.25	0.20	0.15	010	0.05

The objectives are derived from the Five Year Plan, departmental strategies, party manifesto, and President's Address to the Parliament. As depicted in Figure 3, this is required to ensure vertical alignment between National Vision as articulated in the National Five Year Plan and departmental objectives.

The objective of the departmental strategy is to outline the path for reaching the vision. It usually covers five years and needs to be updated as the circumstances change. Ideally, one should have the departmental strategy in place before preparing an RFD. However, RFD itself can be used to motivate departments to prepare a strategy. This is what was done in our case in India.

Figure 3: Vertical Alignment of Five Year Plans with RFDs



Column 2: Assign Relative Weights to Objectives

Objectives in the RFD are required to be ranked in a descending order of priority according to the degree of significance, and specific weights should be attached to these objectives. In the ultimate analysis, the concerned minister has the prerogative to decide the *inter se priorities* among departmental objectives and all weights must add up to 100. Clearly, the

process starts with the departmental secretary suggesting a set of priorities in her best technical judgment. However, the Minister has the final word as she represents the will of the people in our form of government.

The logic for attaching specific weights, all adding up to 100%, is straightforward. For instance, if a department has 15 objectives and, at the end of the year, the secretary of the department goes to the Minister and says 'I have achieved 12 out of the 15 objectives'. How is the Minister to judge secretary's performance? The answer depends on which of the three objectives were achieved. If the important core objectives of the departments were not, then this does not reflect good performance.

In fact, any evaluation system that does not prioritise objectives is a non-starter. We know that all aspects of departmental operations are not equally important. When we have a shared understanding of departmental priorities, it creates a much greater chance of getting the important things done.

Column 3: Identify Means (Actions) for Achieving Departmental Objectives

For each objective, the department must specify the required policies, programmes, schemes and projects. These also have to be approved by the concerned minister. Often, an objective has one or more policies associated with it. An objective represents the desired 'end' and associated policies, programs and projects represent the desired 'means'. The latter are listed as 'actions' under each objective.

Column 4: Define Success Indicators

For each 'action' specified in Column 3, the department must specify one or more 'success indicators'. They are also known as 'Key Performance Indicators (KPIs)'or 'Key Result Indicators (KRIs)'. A success indicator provides a means to evaluate progress in achieving the policy, programme, scheme and project objectives/targets. Sometimes more than one success indicator may be required to tell the entire story. If there are multiple actions associated with an objective, the weight assigned to a particular objective should be spread across the relevant success indicators.

The choice of appropriate success indicators is as important as the choice of objectives of the department. It is the success indicators that are most useful at the operational level. They provide a clear signal as to what is expected from the department.

Success indicators are important management tools for driving improvements in departmental performance. They should represent the main business of the organisation and should also aid accountability. Success indicators should consider both qualitative and quantitative aspects of departmental performance.

In selecting success indicators, any duplication should be avoided. For example, the usual chain for delivering results and performance is depicted in Figure 4. An example of this results chain is depicted in Figure 5.

If we use Outcome (increased literacy) as a success indicator, then it would be duplicative to also use inputs and activities as additional success indicators. Ideally, one should have success indicators that measure Outcomes and Impacts. However, sometimes due to lack of data one is able to only measure activities or output. The common definitions of these terms are as follows:

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

Figure 4: Typical Results Chain

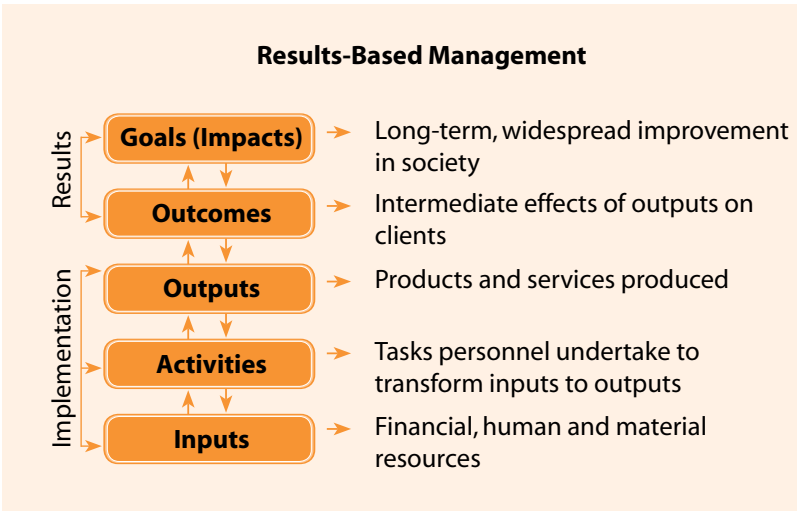
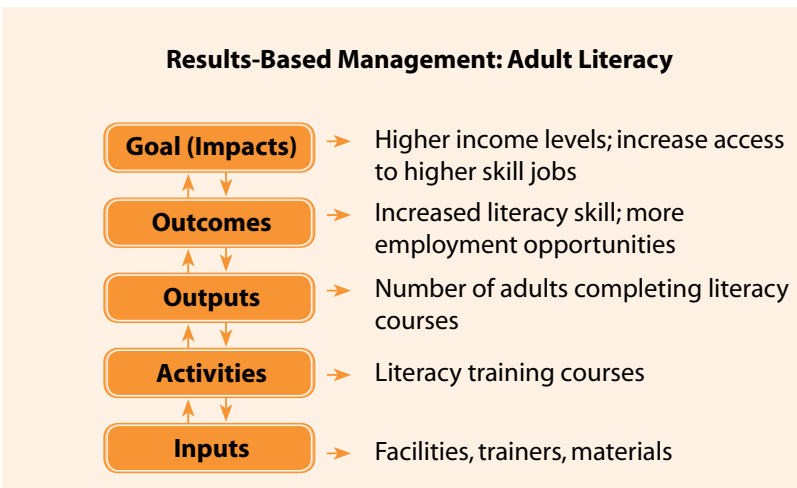


Figure 5: An Example of Results Chain



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

3. **Outputs:** The products, capital goods and services that result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes. Sometimes, 'Outputs' are divided into two sub-categories – internal and external outputs. 'Internal' outputs consist of those outputs over which managers have full administrative control. For example, printing a brochure is considered an internal output as it involves spending budgeted funds in hiring a printer and giving orders to print a given number of brochures. All actions required to print a brochure are fully within the manager's control and, hence, this action is considered 'Internal' output. However, having these brochures picked up by the targeted groups and, consequently, making the desired impact on the target audience would be an example of external output. Thus, actions that exert influence beyond the boundaries of an organisation are termed as 'external' outputs.

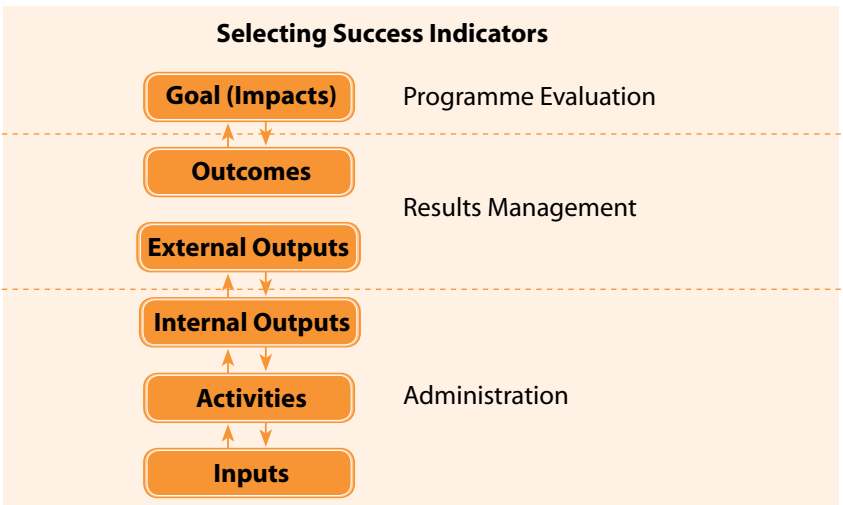
3. **Outcome:** The likely or achieved short-term and medium-term effects/ impact of an intervention's Outputs.

Departments are required to classify SIs into the following categories:

Input	Activity	Internal Output	External Output	Outcome	Measures Qualitative Aspects
(1)	(2)	(3)	(4)	(5)	(6)

While categories numbered 1-5 are mutually exclusive, a Success Indicator can also measure qualitative aspects of performance. As can be seen from the figure given below, management begins where we do not have full control. Up until that point, we consider it to be the realm of administration.

Figure 6: Administration versus Management



Column 5: Assign Relative Weights to Success Indicators

If we have more than one action associated with an objective, each action should have one or more success indicators to measure progress in implementing these actions. In this case we will need to split the weight for the objective among various success indicators associated with the objective. The rationale for using relative weights has already been given in the context of the relative weights for objectives. The same logic applies in this context as well.

Column 6: Set Targets for Success Indicators

The next step in designing an RFD is to choose a target for each success indicator. Targets are tools for driving performance improvements. Target levels should, therefore, contain an element of stretch and ambition. However, they must also be achievable. It is possible that targets for radical improvement may generate a level of discomfort associated with change, but excessively demanding or unrealistic targets may have a longer-term demoralising effect. The target should be presented as per the five-point scale given below:

Excellent	Very Good	Good	Fair	Poor
100 %	90%	80%	70 %	60 %

The logic for using a five-point scale can be illustrated with the following example. Let us say a Minister (the principal) gives the Secretary (the agent) a target to build 7000 KMs of road. However, at the end of the year, if the Secretary reports that only 6850 KMs of roads could be built, then how is the Minister to evaluate Secretary's performance? The reality is that under the present circumstances, a lot would depend on the relationship between the Minister and the Secretary. If the Minister likes the Secretary, he is likely to overlook this shortfall in achievement. If, however, the Minister is unhappy with the Secretary for some reason, then the Minister is likely to make it a big issue. This potential for subjectivity is the bane of most problems in the government. The five-point scale addresses this problem effectively. By having an ex-ante agreement on the scale, the performance evaluation at the end is automatic and fair. Incidentally, it could be a five, seven or even a nine point scale. If an evaluation system does not use a scale concept for ex-ante targets, it is a non-starter.

It is expected that, in general, budgetary targets would be placed at 90% (Very Good) column. There are only two exceptions: (a) When the budget requires a very precise quantity to be delivered. For example, if the budget provides money for one bridge to be built, clearly we cannot expect the department to build two bridges or 1.25 of a bridge. (b) When there is a legal mandate for a certain target and any deviation may be considered a legal breach. In these cases, and only in these cases, the targets can be placed

under 100%. For any performance below 60%, the department would get a score of 0 in the relevant success indicator.

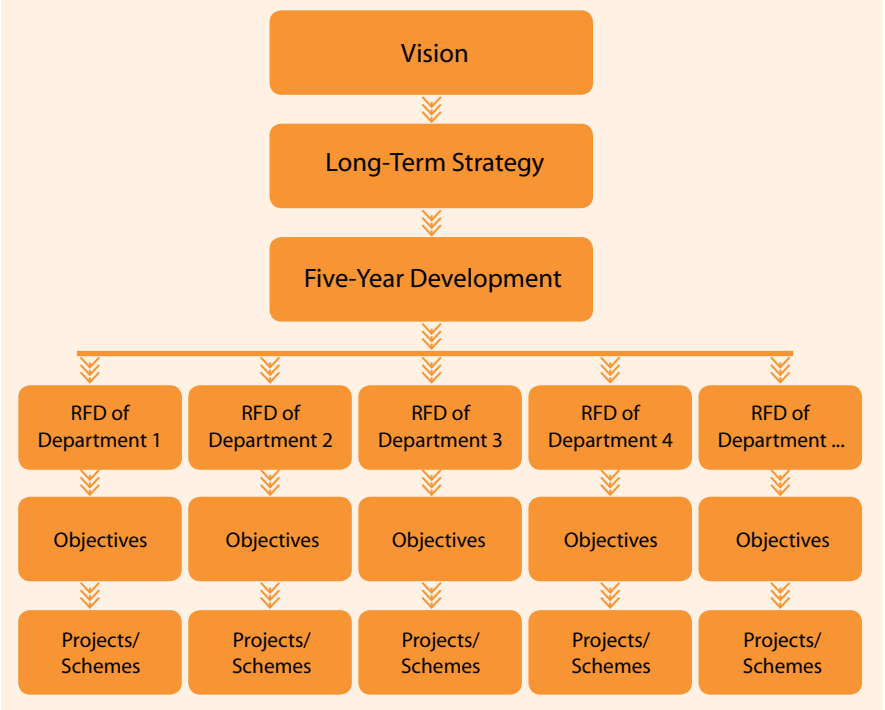
The RFD targets should be aligned with Plan priorities and be consistent with departmental budget as well as the outcome budget. A well-framed RFD document should be able to account for the majority of the budget. Towards this end, departments must ensure that all major schemes, relevant mission mode projects and Prime Ministers flagship programs are reflected in the RFD.

Team targets

In some cases, the performance of a department is dependent on the performance of one or more departments in the government. For example, to produce power, the Ministry of Power is dependent on the performance of the following: (a) Ministry of Coal, (b) Ministry of Railways, (c) Ministry of Environment and Forest, and (d) Ministry of Heavy Industry (e.g. for power equipment from BHEL). Therefore, in order to achieve the desired result, it is necessary to work as a team and not as individuals. Hence, the need for team targets for all five Departments and Ministries.

For example, if the Planning Commission fixes 920 BU as target for power generation, then two consequences will follow. First, RFDs of all five departments will have to include this as a 'team target'. Second, if this

Figure 7: Horizontal Alignment among Departments



'team target' is not achieved, all five departments will lose some points at the time of evaluation of RFDs. The relative loss of points will depend on the weight for the team target in the respective RFDs. To illustrate, let us imagine the following. The RFD for Ministry of Coal has two types of targets, one deals with coal production and other with 'team target for

Table 2: Example of Team Target in the 2013-14 RFD of Ministry of Coal.

Section 2: Inter se Priorities among Key Objectives, Success Indicators and Targets					
Column 1	**Column 2**	**Column 3**	**Column 4**	**Column 5**	
Objective	**Weight**	**Action**	**Success Indicator**	**Unit**	
(29) GPS based tracking of transportation of coal	1.00	(29.1) Installation of GPS by 31.03.2014	(29.1.1) All companies have floated tenders for installing GPS	No. of subsidiaries	
TEAM TARGET (30) Joint responsibility for power generation	5.00	(30.1) Give necessary support and clearance	(30.1.1) Additional capacity installed	MW	
			(30.1.2) Total power generated	BU	
* Efficient functioning of the RFD System	3.00	Timely submission of draft RFD 2014-15 for approval	On-time submission	Date	
		Timely submission of results for 2012-13	On-time submission	Date	
* Transparency/ Service delivery Ministry/ Department	3.00	Independent audit of implementation of Citizens'/Clients' Charter (CCC)	% of implementation	%	
		Independent audit of implementation of Public Grievance Redressal System	% of implementation	%	
* Administrative reforms	6.00	Implement mitigating strategies for reducing potential risk of corruption	% of implementation	%	
		Implement ISO 9001 as per the approved action plan	% of implementation	%	
		Implement Innovation Action Plan (IAP)	% of milestones achieved	%	
		Identification of core and non-core activities of the Ministry/Department as per 2nd ARC recommendations	Timely submission	Date	

power generation'. They have a weight of 15 % and 2 % respectively. Now if the target of 920 BU for power generation is not achieved, even if the target for coal production is achieved, Ministry of Coal will still lose 2%. An actual example of Team Target in the RFD of Ministry of Coal in the year 2013-14 is reproduced below:

	Column 6	Column 7				
	Weight	Target/Criteria Value				
		Excellent	Very Good	Good	Fair	Poor
		100%	90%	80%	70%	60%
	1.00	7	6	5	4	3
	3.00	18500	18000	17000	16000	1500 0
	2.00	1030	1000	950	920	900
	2.00	05/03/2014	06/03/2014	07/03/2014	08/03/2014	11/03/2014
	1.00	01/05/2013	02/05/2013	03/05/2013	06/05/2013	07/05/2013
	2.00	100	95	90	85	80
	1.00	100	95	90	85	80
	1.00	100	95	90	85	80
	2.00	100	95	90	85	80
	2.00	100	95	90	85	80
	1.00	27/01/2014	28/01/2014	29/01/2014	30/01/2014	31/01/2014

The logic is that all team members must ensure (like relay race runners) that the entire chain works efficiently. To borrow an analogy from cricket, there is no consolation in a member of the team scoring a double century if the team ends up losing the match. That is, the departments included for team targets will be responsible for achieving the targets jointly. This is one of the ways in which RFDs try to ensure horizontal alignment and break away from the silo mentality.

Section 3: Trend values of the success indicators

For every success indicator and the corresponding target, RFD must provide actual values for the past two years and also projected values for two years in the future as given in Table 3.

Table 3: Extract of Section 3 from the 2013-14 RFD of Department of Agriculture and Cooperation

Section 3: Trend Values of the Success Indicators			
Column 1	**Column 2**	**Column 3**	
Objective	**Action**	**Success Indicator**	
(1) Increasing crop production and productivity thereby ensuring food security and enhanced income level to farmers	(1.1) Preparation of tentative allocations & approval of State Action Plans for 2013-14	(1.1.1) Approval by 31.05.2013	
	(1.2) Release of funds to States/Institutions	(1.2.1) % of funds (R.E.) released by 31.03/2014	
	(1.3) Additional foodgrain production	(1.3.1) Additional production of 5 million tons over year (5 year moving average)	
	(1.4) Area expansion of pulses by promoting pulse cultivation in rice fallows, as well as intercrops and summer crops	(1.4.1) Increase in area by 1.5 lakh ha. over 5 year moving average	
	(1.5) NFSM Impact Evaluation Studies	(1.5.1) Completion of studies by CDDs and Submission of report	
	(1.6) Monitoring and review of BGREI programme in all 7 States	(1.6.1) State visits twice a year	
(2) Incentivising states to enhance public investment in agriculture & allied sectors to sustain and maintain capital formation and agriculture infrastructure	(2.1) Incentivise states to make additional allocation in agriculture & allied sectors	(2.1.1) Increase in percentage points of states' plan expenditure in agriculture and allied sectors as per Point No. 3 of Annexure-II of RKVY Guidelines	

Section 4: Description and definition of success indicators and proposed measurement methodology

RFD contains a section with detailed definitions of various success indicators and the proposed measurement methodology. Wherever possible, the rationale for using the proposed success indicators may be provided. Abbreviations/acronyms of policies, programmes, schemes used may also be elaborated in this section.

	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
	Unit	Actual Value for FY 11/12	Actual Value for FY 12/13	Actual Value for FY 13/14	Actual Value for FY 14/15	Actual Value for FY 15/16
	Date	31/05/2011	18/05/2012	31/05/2013	31/05/2014	31/05/2015
	%	98	-	90	90	90
	Million Tons	..	12.59	5.0	5.2	5.4
	Area	..	..	1.5	1.75	2.00
	Date	..	..	30/11/2013	..	..
	No. of visits	10	12	14	14	15
	% Points	0.9	-	0.25	0.25	0.25

Section 5: Specific performance requirements from other departments that are critical for delivering agreed results

This section should contain expectations from other departments that impact on the department's performance. These expectations should be mentioned in quantifiable, specific, and measurable terms.

Table 4: Extract of Section 5 from the 2013-14 RFD of Ministry of Coal

Section 5: Specific Performance Requirements from other Departments					
Column 1	**Column 2**	**Column 3**	**Column 4**	**Column 5**	
Location Type	**State**	**Organisation Type**	**Organisation Name**	**Relevant Success Indicator**	
Central Government		Ministry	Ministry of Environment and Forests	(27.1.1) Holding quarterly meetings	
			Ministry of Law and Justice	(1.3.2.1) Vetting of notifications under section 4(1), 7(1), 9(1) and 11(1) of the CBA (A&D) Act, 1957 will be done within the prescribed time on receipt of each	

The purpose of this section is to promote horizontal alignment among departments and overcome the tendency of working in silos. This section allows us to know, *ex-ante,* the requirements and expectations of departments from each other. This section is a complement to the concept of '*team targets*' discussed above.

	Column 6	Column 7	Column 8	Column 9
	What is your Requirement from the Organisation	**Justification for this Requirement**	**Please Quantify your Requirement from this Organisation**	**What Happens if your Requirement is not Met.**
	MoEF is required to review the status of providing EC and FC proposals at their level for expediting the same. Similarly time taken in conveying the approvals after the same are recommended by EAC/FAC needs to be reviewed for avoiding delays in communicating administrative approvals. Further, MoEF is required to give priority for online processing of EC and FC proposals. Flow chart for steps involved in EC process is enclosed as per Annexure-IV.	In the absence of EC and FC clearance, projects will not progress further.	All the proposals pending with MoEF	Commencement of subsequent activities will not start leading to delay in projects.
	Ministry of Law and Justice is required to vet notifications within prescribed time	Vetting by Ministry of Law and justice is necessary before processing the cases further.	All the cased related to land acquisition.	Notification cannot be issued within prescribed time without vetting.

Section 6: Outcome/Impact of activities of Department/Ministry

This section should contain the broad outcomes and the expected impact the Department/Ministry has on national welfare. It should capture the very purpose for which the Department/Ministry exists and the rationale for undertaking the RFD exercise.

The Department's evaluation will be done against the targets mentioned in Section 2 in RFD. The whole point of Section 6 in RFD is to ensure that Departments/Ministries serve the purpose for which they were created in the first place.

Table 5: Extract of Section 6 from the 2013-14 RFD of Department of AIDS Control

Section 6: Outcome/Impact of Department/Ministry			
Column 1	**Column 2**	**Column 3**	
Outcome/Impact of Department/Ministry	**Jointly responsible for influencing this outcome/ impact with the following department (s)/ ministry (ies)**	**Success Indicator**	
1. Survival of AIDS patients on ART		% of adults and children with HIV known to be on treatment at 24 months after initiation of antiretroviral therapy at select ART centres	
2. Reduction in estimated AIDS related deaths		Estimated number of annual AIDS related	
3. Reduction in estimated new HIV Infections		Estimated number of annual new HIV infections	
4. Improved Prevention of Parent of Child Transmission	Department of Health and Family Welfare		
5. Improved prevention of AIDS in High Risk Group (HRG)		Coverage of HRG through Targeted Interventions (TIs) - Female Sex Worker	
		Coverage of HRG through TIs - Males having Sex with Males (MSM) (including Transgenders)	
		Coverage of HRG through TIs - Injecting Drug Users (IDUs)	
6. Improved health seeking behaviour of HRGs		% HRGs who received HIV test	

* NA = Not Available

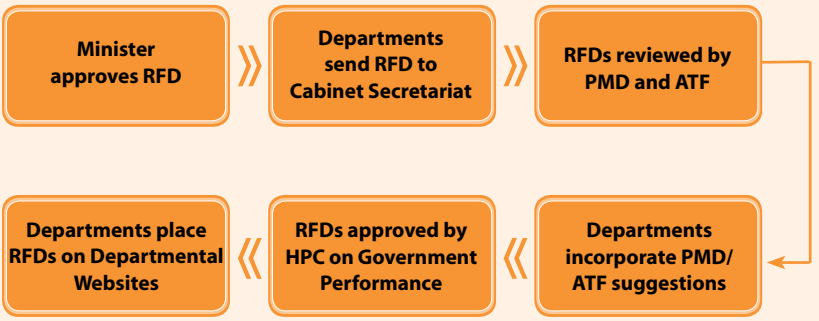
The required information under Section 6 should be entered in Table 5. Column 1 of Table 5 is supposed to list the expected outcomes and impacts. It is possible that these are also mentioned in the other sections of the RFD. Even then they should be mentioned here for clarity and ease of reference. For example, the purpose of Department of AIDS Control would be to 'control the spread of AIDS'. Now it is possible that AIDS Control may require collaboration between several departments like Health and Family Welfare, Information and Broadcasting, etc. In Column 2, all Departments/Ministries jointly responsible for achieving national goals are required to be mentioned. In Column 3, the Department/Ministry is expected to mention the success indicator(s) to measure the Department's outcome or impact. In the case mentioned, the success indicator could be 'Percentage of Indians infected with AIDS'. Columns 5 to 9 give the expected trend values for various success indicators.

	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
	Unit	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16
	%	NA	NA	NA	NA	NA
	No.	1,47,729	NA	NA	NA	NA
	No.	1,16,456	NA	NA	NA	NA
			NA	NA	NA	NA
	%	81	NA	NA	NA	NA
	%	64	NA	NA	NA	NA
	%	80	NA	NA	NA	NA
	%	40	NA	NA	NA	NA

4. RFD Design Process

Once the RFD has been prepared and approved by the concerned minister, it goes through the cycle depicted in Figure 8 and explained below:

Figure 8: Quality Assurance Process for RFD



1	**Step 1:**	**Minister Approves the RFD**	The process starts with the secretary making a draft RFD and proposing for approval of the concerned minister. It is primarily the responsibility of the minister to ensure that RFD includes all the important priorities of the government.
2	**Step 2:**	**Draft RFD sent to Cabinet Secretariat**	The Performance Management Division (PMD), Cabinet Secretariat, examines the draft for their quality and consistency with RFD Guidelines. The critiques of all drafts are prepared based on the RFD Evaluation methodology (REM). This methodology allows us to quantify the quality of an RFD based on agreed criteria (Annex E).

3	**Step 3:**	**Review by PMD and Ad-Hoc Task Force (ATF)**	ATF consists of distinguished academicians, former Secretaries to Government of India, former chiefs of large public enterprises and private sector domain experts (Annex F). This is a non-government body that reviews the critiques and vets the draft RFDs. These comments are conveyed to departments during meetings with departmental secretaries.
4	**Step 4:**	**Departments incorporate ATF comments and revise RFD drafts**	Based on the minutes of the meetings with ATF members, departments modify draft RFDs and resubmit them for approval by the High Power Committee (HPC) on Government Performance chaired by the Cabinet Secretary. For details of HPC see Annex G.
5	**Step 5:**	**Approval by HPC on Government Performance**	The HPC consists of Secretary Finance, Secretary Expenditure, and Secretary Planning. They are responsible for ensuring that all main targets in RFDs are consistent with targets in the budget as well as the Five Year Plan. This is also an occasion to resolve any differences between ATF and departments.
6	**Step 6:**	**RFDs placed on departmental websites**	RFDs approved by HPC are placed on the respective departmental websites. In addition, they are also placed on the PMD website *(www.performance.gov.in)*.

An RFD approved by HPC, for the year 2012-13, for the department of Agriculture and Cooperation, is enclosed at Annex D.

4.2 During the Year (after six months -October 1): Monitor progress against targets

After six months, the RFD as well as the achievements of each Ministry/ Department against the performance goals laid down, may have to be reviewed and the goals reset, taking into account the priorities at that point of time. This enables the Government to factor in unforeseen circumstances such as drought conditions, natural calamities or epidemics.

4.3 End of the year (March 31): Evaluation of performance against agreed targets

At the end of the year, we look at the achievements of the government departments, compare them with the targets, and determine the composite score. Table 6 provides an example from the health sector. For simplicity, we have taken only one objective to illustrate the evaluation methodology.

The Raw Score for Achievement in Column 6 of Table 6 is obtained by comparing the achievement with the agreed target values. For example, the achievement for first success indicator (percentage increase in primary health care centres) is 15%. This achievement is between 80% (Good) and 70% (Fair) and hence the 'raw score is 75%'.

The Weighted Raw Score for Achievement in Column 6 is obtained by multiplying the raw score (column 7) with the relative weights (column 4). Thus for the first success indicator, the weighted raw Score is obtained by multiplying 75% by 0.50. This gives us a weighted score of 37.5%. Finally, the composite score is calculated by adding up all the weighted raw scores (column 8) for achievements. In Table 6, the composite score is calculated to be 84.5%.

The composite score shows the degree to which the Government Department in question was able to meet its objective. The fact that it got a score of 84.5 % in our hypothetical example implies that the Department's performance vis-a-vis this objective was rated as 'Very Good'.

Departmental Rating	Value of Composite Score
Excellent =	100% - 96%
Very Good =	95% - 86%
Good =	85 - 76%
Fair =	75% - 66%
Poor =	65% and below

The methodology outlined above is transcendental in its application. Various Government Departments will have a diverse set of objectives

Table 6: Example of Performance Evaluation at the End of the Year

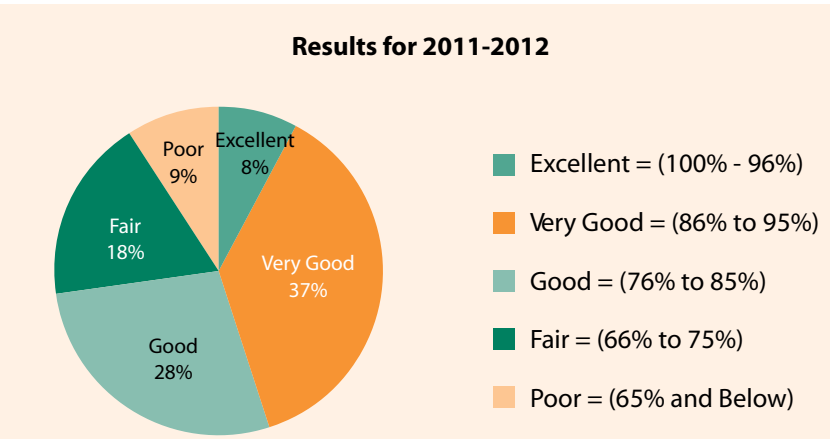
Column 1	Column 2	Column 3		Unit	Column 4	Column S					Column 6	Column 7	Column 8
Objective	Action	Criteria/Success Indicators			Weight	Target I Criteria Values					Achievements	Raw Score	Weighted Raw Score
						Excellent	Very Good	Good	Fair	Poor			
						100%	90%	80%	70%	60%			
Better Rural Health	Improve Access to Primary Health Care	1	% Increase in number of primary health care centres	%	.50	30	25	20	10	5	15	75%	37.5%
		2	% Increase in number of people with access to a primary health centre within 20 KMs	%	.30	20	18	16	14	12	18	90%	27%
		3	Number of hospitals with ISO 9000 certification by December 31, 2009	%	.20	500	450	400	300	250	600	100%	20%
												Composite Score =	84.5%

and corresponding success indicators. Yet, at the end of the year every Department will be able to compute its composite score for the past year. This composite score will reflect the degree to which the Department was able to achieve the promised results.

The actual achievement and the composite score for the sample RFD for Department of Agriculture and Cooperation given in Annex D is enclosed at Annex H. Today all Departments are also required to include the RFD and corresponding results at the end of the year in the Annual Reports of respective Departments. These annual reports of individual Departments are placed in the Parliament every year.

The results for the year 2011-12 are summarised as a pie chart below:

Figure 9: Results for the year 2011-12



From the above it is clear the system is stabilising as the results were distributed normally.

Of all the state governments, Kerala has taken the lead in completing two full cycles of RFD and declaring its results widely through a Government order as show in Figure 10 (page 48)

5. Why is PMES required?

Systems prior to introduction of PMES suffered from several limitations. The Government examined these limitations and designed PMES to overcome these limitations. Some examples of these limitations follow:

5.1 There is fragmentation of institutional responsibility for performance management

Departments are required to report to multiple principals who often have multiple objectives that are not always consistent with each other. A Department could be reporting to the Ministry of Statistics and Programme Implementation on important programmes and projects; Department of Public Enterprises on the performance of PSUs under it; Department of Expenditure on performance in relation to Outcome Budgets; Planning Commission on plan targets; CAG regarding the procedures, processes, and even performance; Cabinet Secretariat on cross cutting issues and issues of national importance; minister in-charge on his priorities; Standing Committee of the Parliament on its annual report and other political issues; etc.

5.2 Fragmented responsibility for implementation

Similarly, several important initiatives have fractured responsibilities for implementation and hence accountability for results is diluted. For example, e-governance initiatives are being led by the Department of Electronics and Information Technology, Department of Administrative Reforms and Public Grievances, NIC, as well as individual ministries.

5.3 Selective coverage with time-lag in reporting

Some of the systems are selective in their coverage and report on performance with a significant time-lag. The comprehensive Performance Audit reports of the CAG are restricted to a small group of schemes and institutions (only 14 such reports were laid before the Parliament in 2008) and come out with a substantial lag. Often, by the time these reports are produced, both the management and the issues facing the institutions change. The reports of enquiry commissions and special committees set-up to examine performance of Government Departments, schemes and programmes suffer from similar limitations.

5.4 Most performance management systems are conceptually flawed

As mentioned earlier, an effective performance evaluation system is at the heart of an effective performance management system. Typically, performance evaluation systems in India suffer from two major conceptual flaws. First they list a large number of targets that are not prioritised.

Figure 10: Public declaration of Results by Government of Kerala

GOVERNMENT OF KERALA
Abstract

Planning & Economic Affairs (CPMU) Department - Performance Monitoring and Evaluation System - Results Frameworks Document Evaluation Report (2012-13) of 35 Administrative Departments - Approved - Orders issued.

Planning & Economic Affairs (CPMU) Department

GO (MS) No. 42/2013/Plg. Dated, Thiruvananthapuram : 07.08.2013,
Read: GO(MS) No. 24/13/Plg dtd 27.03.2013.

ORDER

Results-Framework Documents is a part of the Performance Monitoring and Evaluation System (PMES) to monitor and evaluate the performance of the Government Departments. RFD includes the agreed objectives, policies, programmes and projects along with the success indicators and targets to measure the performance in implementing them. The document is to be prepared by each department at the beginning of every financial year.

Vide paper read above, Govt. have approved the RFD 2012-13 of 35 Administrative Departments. As per the guidelines of Results-Framework Documents, the concerned Administrative Departments have carried out the evaluation of the achievement of targets mentioned in their Results-Framework Documents for the year 2012-13 and submitted the evaluation report online to the Planning and Economic Affairs Department.

The department-wise composite scores are as follows.

SL. No.	Name of Department	Composite Score
1	Agriculture	69.83
2	Animal Husbandry	70.98
3	Co-operation	78.14
4	Cultural Affairs	86.5
5	Environment	30.94
6	Excise	85.28
7	Finance	78.09
8	Fisheries	75.44
9	Food, Civil Supplies & Consumer Affairs	53.39
10	Forest	68.83
11	General Administration	68.27
12	General Education	59.91
13	Health & Family Welfare	87.05
14	Higher Education	68.88
15	Housing	42.27
16	Industries & Commerce	71.55
17	Information & Public Relations	65.77
18	Information Technology	71.35
19	Labour & Rehabilitation	51.23
20	LSGD	61.08

21	NORKA	62.54
22	P&ARD	51.17
23	Planning & Economic Affairs	76.35
24	Ports	40.54
25	Power	63.03
26	PWD	73.76
27	Registration	76.37
28	Revenue	51.6
29	SC/ST Development Department	66.2
30	Social Welfare	30.5
31	Sports & Youth Affairs	52.33
32	Taxes	76.75
33	Tourism	67.09
34	Transport	23.75
35	Water Resources	55.52

Government, after examining in detail the Evaluation Report of Results-Framework Documents 2012-13 of each Administrative Department are pleased to approve the scores as mentioned above.

Government have approved in principal to use the concept of Results-Framework Documents to improve the performance of departments and not to grade them. Further it is not indicative of the level of performance.

(By Order of the Governor)
Rachna Shah,
Secretary (Planning)

To

All Additional Chief Secretaries, Principal Secretaries and Secretaries
Dr. Prajapati Trivedi, Secretary, PMD, Cabinet Secretariat,
Government of India (with C/L)
Performance Management Division, Cabinet Secretariat, Govt. of India.
All Heads of Departments
All Districts Collectors
Private Secretary to Hon'ble Chief Minister
Private Secretary to all Ministers

Copy to

Additional Secretary to Chief Secretary
PA to Principal Secretary to Govt. (Planning)
CA to Additional Secretary & Director, (CPMU)
Stock file/OC.

Forwarded / By Order

Section Officer

Hence, at the end of the year it is difficult to ascertain performance. For example, simply claiming that 14 out of 20 targets were met is not enough. It is possible that the six targets that were not met were in the areas that are the most important areas of the department's core mandate. This is the logic for using weights in RFDs.

Similarly, most performance evaluation systems in the Government use single-point targets rather than a scale. This is the second major conceptual flaw and it makes it difficult to judge deviations from the agreed target. For example, how are we to judge the performance of the department if the target for rural roads for a particular year is 15000 KMs and the achievement is 14500 KMs?

In the absence of explicit weights attached to each target and a specific scale of deviations, it is impossible to do a proper evaluation. This is the reason why a five-point scale and weights are used for RFDs.

As can be seen from the example in Table 6, evaluation methodology embedded in RFDs is a significant improvement over the previous approaches. Once we are able to prioritise various success indicators based on government's prevailing priorities and agree on how to measure deviation from the target, it is easy to calculate the composite score at the end of the year. In the above hypothetical example, this composite score is 84.5%. The ability to compute a composite score for each department at the end of the year is the most important conceptual contribution of RFD methodology and makes it a forerunner amongst its peers.

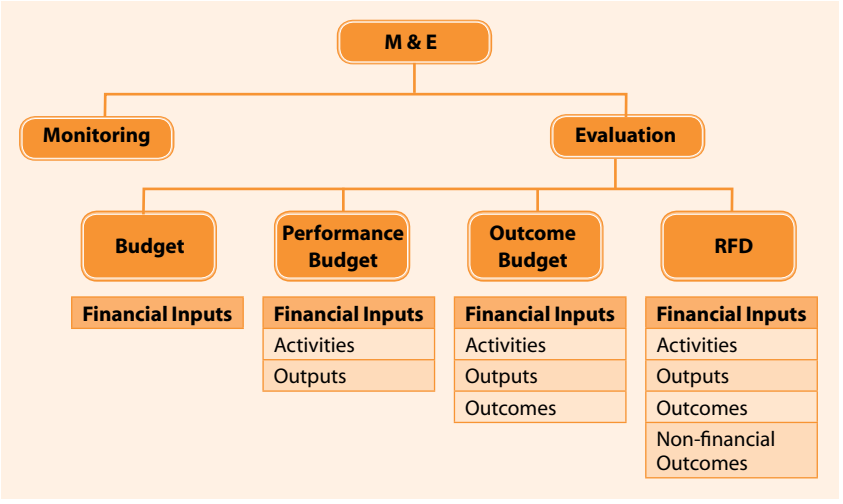
This conceptual approach brings the Monitoring and Evaluation of Government Departments in India into a distinctly modern era of new public management. It creates benchmark competition amongst Government Departments and, we know, competition is the source of all efficiency. The composite score of departments measures the ability of the departments to meet their commitments. While the commitments of the Department of Road Transport are very different from those of the Department of School Education, we can still compare their managerial ability to achieve their agreed targets.

In the absence of the evaluation methodology embedded in RFDs, Government Departments were often at the mercy of the most powerful individuals in the government. Different individuals in the government could always find something redeeming for those departments they favoured and something amiss for those departments not in their good books. Thus, depending on the perspective, departments could be simultaneously good, bad or ugly. Even when the evaluators were being objective, others could easily allege subjectivity in evaluation because the pre-RFD evaluation methodology was severely flawed.

The result was, as in many governments around the world, the views of the most powerful person prevailed in the end. This kind of subjective personalised approach often seems to work in the short run because of the so called 'audit effect.' Compared to no system, even a flawed M & E system upon introduction can have some temporary beneficial effect on behaviour because officials are now mindful that they are being audited (watched). However, officials are as clever as anyone else and they realise very soon that the evaluation system is subjective, selective and non-scientific. Once this realisation dawns upon them, they go back to their old habits. Thus, the labour-intensive M & E by hauling up departments for endless presentations is often a counter-productive strategy in the long run. It leads to M & E fatigue and eventually a calculated disregard for such M & E systems in government.

RFDs also differ from previous efforts in another fundamental way. Compared to previous approaches, RFDs represent the most comprehensive and holistic evaluation of government departments. To understand this point let us look at Figure 11. As can be seen from this Figure, there is a fundamental difference between Monitoring and Evaluation. Just because they are referred together as M&E, the distinction is often lost.

Figure 11: Evolution of Evaluation Instruments in Government



The process of evaluation, on the other hand, helps us arrive at the bottom-line for the evaluated organisations. A sound evaluation exercise should inform us whether the performance of an entity is good, bad or ugly. Monitoring, on the other hand, allows an entity to determine whether we are on track to achieving our bottom-line.

For example, as a passenger travelling from point A to point B, we care about the on-time departure and arrival of the plane, experience of cabin service during the flight, the cost of journey, etc. If these parameters are to our

satisfaction, we come to the conclusion that we had a 'good' flight. However, to achieve this result, the captain of the flight has to monitor a large number of diverse parameters—headwinds, tailwinds, outside temperature, inside temperature, fuel levels, fuel distribution, weight distribution, etc.

Monitoring and Evaluation require different perspectives and skills. 'Monitoring' is concerned with the means to achieve a desirable end, whereas, 'Evaluation' is concerned with the end itself. In government, we often confuse between the two and end up doing neither particularly well. By making a clear distinction between the two, RFD approach has contributed to a more effective performance evaluation of Government Departments for the first time since independence.

Not to say that 'evaluation' of Government Departments did not happen in Government of India before the introduction of RFD. Like most other countries, 'budget' was the main instrument of evaluating Government Departments. The bottom line was the size of the budget and a department's performance was determined by its ability to remain within budget. Dissatisfaction with the narrow focus on 'financial inputs' as a success indicator, however, led to the adoption of 'Performance Budgets,' which broadened the scope of evaluation exercise to include 'activities' and 'outputs,' in addition to financial inputs. With further advances in evaluation, experts began to focus on the outcomes and hence in 2006, Government of India adopted 'Outcome Budget.' In 2009, RFD further expanded the scope of departmental evaluation and included non-financial outcomes, in addition to all others in the Outcome Budget. Thus, RFD represents the most comprehensive definition of departmental performance. It includes static and dynamic aspects of departmental performance; long-term and short-term aspects; financial and non-financial aspects of performance; as well as quantitative and qualitative aspects of performance. That is to say, that while RFD still belongs to the genre of approaches that fall under the rubric of Management by Objective (MBO) approaches, it has the most sophisticated evaluation methodology and has the most comprehensive scope compared to its predecessors.

This is not an insignificant point. Many governments have tried using a selective approach by focusing on a few key aspects of departmental performance. This approach leads to the famous 'water-bed' effect. Those areas of the department that are under scrutiny may improve but the rest of the department slackens and eventually the whole department suffers. Even if a government wants to focus on a few items of particular interest to them, it is best to give these items (action points) higher weights in the RFD and not take them out of RFD for special monitoring.

In the next section we will see that by adopting RFD approach for managing departmental performance, India has moved into a very distinguished league of reformers and, indeed, represents current international best practice.

6. What is the international experience in this area?

6.1 Similar policies used widely in developed and developing countries

The inspiration for this policy is derived from the recommendations of the Second Administrative Reform Commission (ARC II). As mentions before, in the words of Second Administrative Reform Commission (ARC II):

> *'Performance agreement is the most common accountability mechanism in most countries that have reformed their public administration systems'.*
>
> *'At the core of such agreements are the objectives to be achieved, the resources provided to achieve them, the accountability and control measures, and the autonomy and flexibilities that the civil servants will be given'.*

Similar policies are being used in most OECD countries. The leading examples of this policy come from New Zealand, United Kingdom and USA. In the USA, the US Congress passed a law in 1994 called the Government Performance Results Act. Under this law the US President is obliged to sign a Performance Agreement with his Cabinet members. In the UK, this policy is called Public Service Agreement. In developing countries, the best examples come from Malaysia and Kenya.

The table summarises the international experience with regard to approaches similar to India's policy of Results-Framework Document (RFD):

Table 7: Summary of international experiences in GPM

Country	Brief description of the system
Australia	All line departments in Australia operate in the agency mode. The Public Service Act of 1999 includes a range of initiatives that provides for improving public accountability for performance, increasing competitiveness and enhancing leadership in the agencies. These initiatives include: a. public performance agreements (similar to RFDs) for the Agency Heads b. replacement of out-of-date hierarchical controls with more contemporary team-based arrangements c. greater devolved responsibility to the agency levels d. giving agencies flexibility to decide on their own systems for rewarding high performance e. streamlined administrative procedures f. a strategic approach to the systematic management of risk. The Financial and Accountability Act, 1997 provides the accountability and accounting framework for the agencies. Under this Act, the Agency Heads are given greater flexibility and autonomy in their financial management. The Act requires Agency Heads to manage resources in an efficient, effective and ethical manner.

Country	Brief description of the system
 Brazil	In Brazil, the most advanced form of performance management is found at the State level. In the state of Minas Gerais, heads of Government Departments are required to have a *Results Agreement (RA)*. While similar to RFDs, these RAs are for a period of four years, with yearly reviews, while the Indian RFDs are negotiated for one year at a time. The achievement scores against commitments made in *Result Agreements* are published documents and available to the public through the official websites in Minas Gerais. Result Agreements (RAs) in Minas Gerais also extend to city administrations and cover the quality of expenditure by the secretariat. In addition, these *Result Agreements* contain provisions for performance-related pay. The 2007 innovation in RA was the cascading of the RA into two levels: first level between the State Governor and the heads of State Secretariats and agencies, focused on results of impact for society; and the second level between the heads of agencies and their respective teams, identifying clearly and objectively the contribution of each staff member to the achievement of results.
 Bhutan	Of all the developing countries, the recent adoption of *Performance Agreements (PA)* in Bhutan is the most impressive. Performance Agreements in Bhutan are signed between the Prime Minister and the respective ministers. A sample PA from Bhutan is enclosed at **Flag C**. Bhutan examined the international experience, including Indian experience with RFDs, and decided to improve on all previous approaches. The Harvard-educated Prime Minster is credited with this policy. We have done a comparison of the quality of Performance Agreements in Bhutan with the quality of RFDs in India and found the Bhutanese PAs to be ahead of us in India. That is why I have included them in this list.
 Canada	Canada has a long tradition of Government Performance Management. It introduced a basic performance management system as far back as 1969 and has a very sophisticated system of performance management. In addition to *Performance Contracts (PC)* with departmental heads, which are similar to RFD, it has a *Management Accountability Framework (MAF) th*at also measures the quality management and leadership of the department. Both systems are linked to the *Performance Measurement Framework (PMF)* and, unlike India, have statutory backing.
 Denmark	In Denmark, the contract management approach is seen as a major contribution to performance management. Four year contracts (similar to RFDs) incorporating agreed performance targets are negotiated between specified agencies and parent Ministries and are monitored annually by the parent Ministry and Ministry of Finance.
 France	The *Centres de Responsabilite* in France is another example. Since 1990, many State services at both central and devolved levels have been established as Responsibility Centres in France. A contract with their Ministry gives the Directors greater management flexibility in operational matters in exchange for a commitment to achieve agreed objectives. It also stipulates a method for evaluating results. Contracts, negotiated case by case, are for three years.

Country	Brief description of the system
 Indonesia	Indonesia implements a system of Performance Contracts (PCs) for all Ministries. However, while in India, these PCs in form of RFD are signed between the Secretary and the Minister, in Indonesia these are signed by the concerned Minister with the President. In both cases, the purpose is to translate vision into reality. While one ministry is in charge of a programme, other Ministries whose support in providing complementary inputs are identified. These PCs monitor inputs, activities, outputs and outcomes. The central responsibility for drawing up PC rests with President's Delivery Unit (UKP4) in Indonesia. This is a Delivery Unit under the President of Indonesia. Some provinces in Indonesia have opted for system followed by the President's Delivery Unit and they are allowed access to their online system.
 Kenya	Performance Contract System (PCS) in Public Service was introduced in Kenya in 2004 as part of Economic Recovery Strategy for Wealth and Employment Creation: 2003-07. The system got a fillip from the new government under the widely-held perception of bureaucratic delays, inefficiency, emphasis on processes rather than on results, lack of transparency and accountability, inadequate trust and instances of huge surrender of funds. The Performance Contracting System of Kenya has Public Service Award from UNDP and Innovation Award from the Kennedy School of Government, Harvard University. Considered among the most sophisticated government performance management systems it draws on the experience of leading practitioners of New Public Management (Australia, UK, New Zealand, etc.). Its coverage is also impressive. It covers almost all entities getting support from treasury.
 Malaysia	The *Programme Agreement* system designed by Prime Minister Mahathir Mohammed was a pioneering effort in the developing world. Every public entity had to have a programme agreement that specified the purpose of the existence of that agency and the annual targets in terms of outputs and outcomes. This government performance system is credited by many experts for turning Malaysia from a marshy land to almost a developed country.
 New Zealand	New Zealand was one of the first countries to introduce an annual performance agreement (similar to RFDs) between Ministers and permanent secretaries (renamed as chief executives) who, like India, are directly responsible to the minister. The Public Finance Act of 1989 provided for a performance agreement to be signed between the chief executive and the concerned Minister every year. The Performance Agreement describes the key result areas that require the personal attention of the chief executive. The expected results are expressed in verifiable terms, and include output-related tasks. The chief executive's performance is assessed every year with reference to the performance agreement. The system provides for bonuses to be earned for good performance and removal for poor performance. The assessment is done by a third party – the State Services Commission. Due consideration is given to the views of the departmental Minister. A written performance appraisal is prepared. The chief executive concerned is given an opportunity to comment, and his/her comments form part of the appraisal.

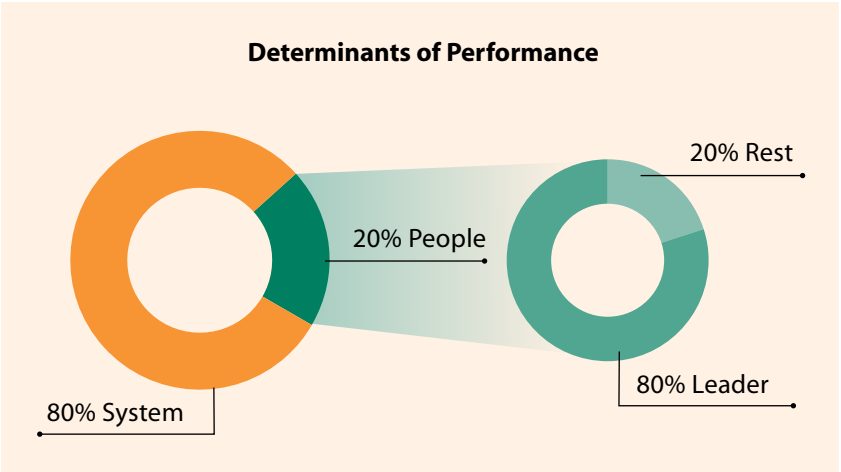
Country	Brief description of the system
	The annual purchase agreement for outputs between the minister and the department or agency complements Performance Agreements. The distinction between service delivery (outputs) and policy (outcomes) clarifies accountability. Departments or agencies are accountable for outputs; Ministers are accountable for outcomes. Purchase agreements specify outputs to be bought, as well as the terms and conditions surrounding the purchase, such as the procedure for monitoring, amending and reporting.
United Kingdom	In UK, a framework agreement specifies each agency's general mission and the responsibilities of the Minister and chief executive. A complementary annual performance agreement between the Minister and chief executive sets out performance targets for the agency. Setting targets is the responsibility of the Minister. Agencies are held accountable through quarterly reports to the Minister. Under Tony Blair, UK went on to implement Public Service Agreements (PSAs), which detail the aims and objectives of UK Government Departments for a three-year period. Such agreements also "describe how targets will be achieved and how performances against these targets will be measured." The agreement may consist of a departmental aim, a set of objectives and targets, and details of who is responsible for delivery. The main elements of PSA are as follows: 1. An introduction, setting out the Minister or Ministers accountable for delivering the commitments, together with the coverage of the PSA, as some cover other departments and agencies for which the relevant Secretary of State is accountable; 2. The aims and objectives of the department or cross-cutting area; 3. The resources which have been allocated to it in the CSR; 4. Key performance targets for the delivery of its services, together with, in some cases, a list of key policy initiatives to be delivered; A statement about how the department will increase the productivity of its operations.
United States of America	In 1993 the US Congress enacted the Government Performance and Results Act (GPRA). Under this Act, President of the United States is required to sign Performance Agreements (similar to RFDs) with Secretaries. These Performance Agreements include departmental Vision, Mission, Objectives, and annual targets. The achievements against these are to be placed in the Congress. An example is enclosed at Flag B. The Secretaries in turn sign performance Agreements with Assistant Secretaries and the accountability for results and performance eventually trickles down to the lowest levels.

All countries discussed in this volume have already adopted some variant of this policy.

6.2 Importance of Management Systems

As depicted in the figure 12, all management experts agree that around 80% of the performance of any organisation depends on the quality of the systems used. That is why the focus of PMES is on improving management control systems within the Government.

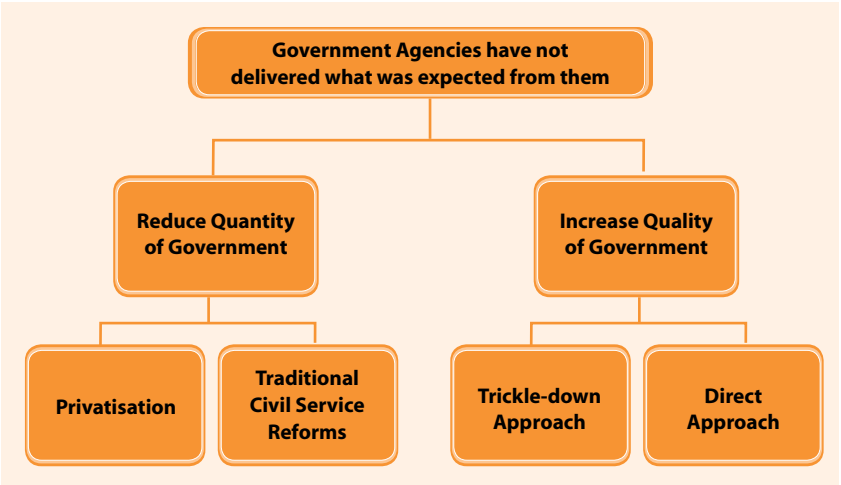
Figure 12: Importance of Management Systems



6.3 Shift in Focus from 'Reducing Quantity of Government' to 'Increasing Quality of Government'

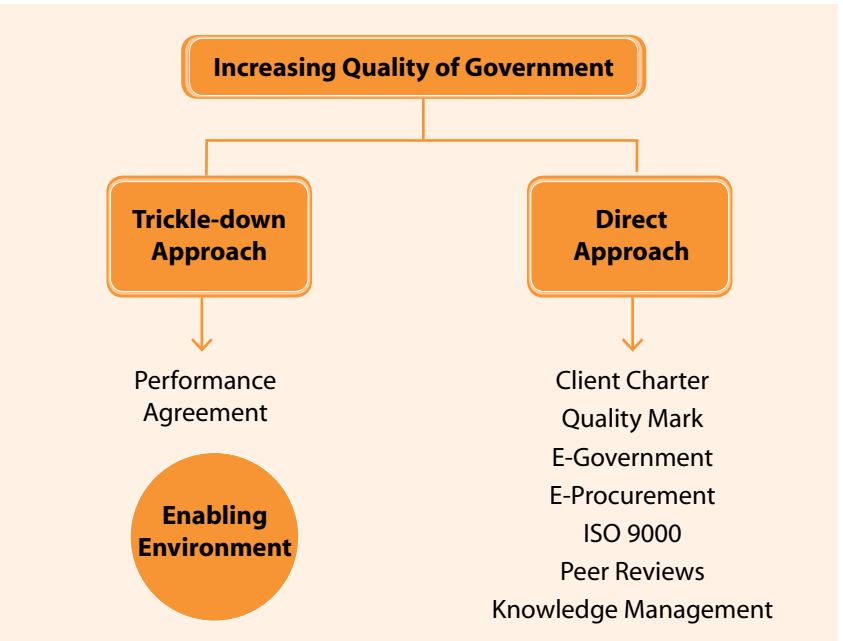
Figure below depicts a distinct worldwide trend in managing government performance. In response to perceived dissatisfaction with performance of government agencies, governments around the world have taken certain steps. These steps can be divided into two broad categories: (a) reduction in quantity of government, and (b) increase in quality of government. Over time most governments have reduced their focus on reducing the quantity of government and increased their focus on improving the quality of government. The former is represented by traditional methods of government reform such as golden handshakes, cutting the size of Government Departments, sale of public assets through privatisation.

Figure 13: Quality vs. Quantity of Government



The policies undertaken by various governments to increase the quality of government can be further classified into two broad approaches: (a) Trickle-down approach, and (b)Direct approach.

Figure 14: Increasing Quality of Governance



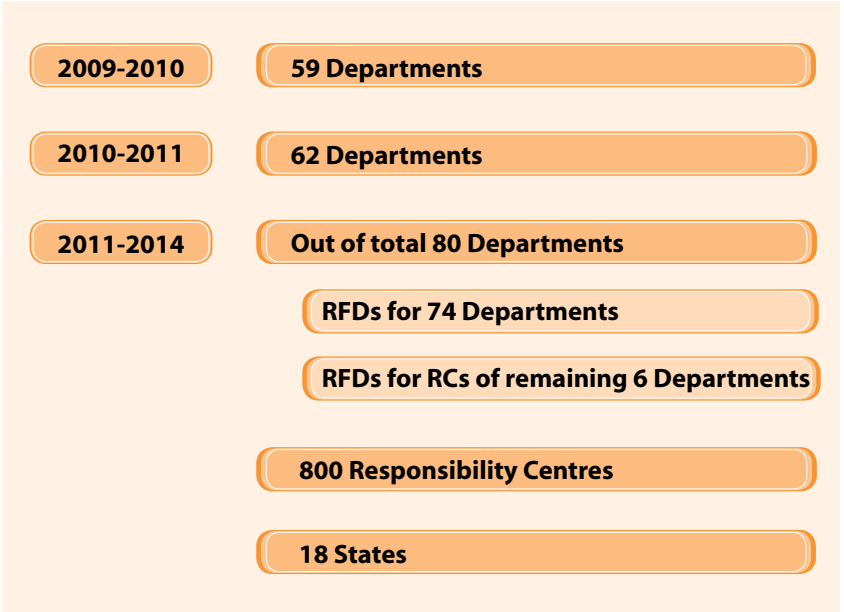
PMES falls under the category of trickle-down approach as it holds the top accountable and the accountability for results eventually trickles down to the lowest echelons of management. It creates a sustainable environment for implementing all reforms. The generic name of PMES is Performance Agreement. These approaches have a sustainable impact on all aspects of performance in the long run. The direct approach, on the other hand, consists of many instruments of performance management that have a direct impact on some aspect of performance. Thus these approaches are complementary and not substitutes for each other. In fact, PMES also makes use of these direct approaches by making citizens' charter and grievance redressal systems a mandatory requirement for all Government Departments in their RFDs.

7. What has been the progress in implementation?

Today, PMES covers about 80 Departments of Government of India and 800 responsibility centres (Attached Offices, Subordinate Offices and Autonomous Bodies) under these Departments (Annex I). In addition 18 states of the Indian Union are at various stages of implementing the RFD system at the state level. In Punjab, the Government has also experimented with RFDs at district level. Whereas, in Assam, RFDs have been implemented at the level of Responsibility Centres.

The following figure describes the progress in the implementation of RFD thus far:

Figure 15: Current Coverage of RFD Policy



As can be seen from Figure 15, the RFD policy has stabilised in terms of coverage of department since 2011. Following 18 states are at various stages of implementing the RFD policy:

Figure 16: State Level Implementation of RFD Policy

Where Implementation Has Begun

1. **Maharashtra**
2. **Punjab**
3. **Karnataka**
4. **Kerala**
5. **Himachal Pradesh**
6. **Assam**
7. **Haryana**
8. **Chhattisgarh**
9. **Tripura**
10. **Rajasthan**
11. **Andhra Pradesh**
12. **Mizoram**
13. **Jammu & Kashmir**
14. **Meghalaya**
15. **Odisha**
16. **UP (request)**
17. **Puducherry (request)**
18. **Tamil Nadu (request)**

8. Implementation of Key Administrative Reforms through RFD

Essentially an RFD represents a mechanism to implement policies, programme and projects. However, these policies, programs and projects can be divided into two categories. One relates only to a Department (or, more specifically, departmental mandate) and the other applicable across all departments. The latter category is included in Section 2 of RFD as '*Mandatory Objectives*'. Over the past five years several key administrative reform initiatives have been implemented using the RFD mechanism. These are not new initiatives, but they were not being implemented effectively by the Government due to lack of accountability and absence of a follow-up system. RFD filled these two voids and ramped up the implementation. The following figure summarises some of the key initiatives implemented via the RFD mechanism.

Figure 17: Scope of RFD



While it is not possible to describe the rich implementation experience with regard to each of the initiative mentioned above, Readers are encouraged to visit PMD website *(www.performance.gov.in)* for detailed guidelines and progress in implementation.

9. Use of G 2 G Software to manage RFD implementation

In collaboration with NIC and PMD, the Cabinet Secretariat has developed a powerful software to allow all transactions related to implementation of RFD to be conducted online. This software is called Results-Framework Management System (RFMS) and it enables the following activities to be done online:

- preparation of the Results-Framework Document (RFD)
- preparation and annual monitoring of the Clients'/Citizens' Charters (CCC)
- M&E of departmental performance on an annual and monthly basis

It is mandatory for all departments to use RFMS software for preparing and submitting RFDs. RFMS has already led to use of less paper and it is expected to eventually lead to a paperless environment for implementing RFDs.

Figure 18: Screenshot of RFMS website

Results-Framework Management System



http://www.rfms.nic.in

10. Impact of PMES/RFD

Any system takes a long time to implement and reach its full potential. Thus impact of systems cannot be evaluated in the short term. If we looked at the impact of systems in the short term, policy makers would stop taking a long term perspective.

In addition, it is important to keep in mind that the system has not been fully implemented. Some of the key features are still in a disabled mode. For example, not all departments are covered by the RFD system. It is argued by some departments that what is good for goose is also good for gander. They argue that unless finance and planning are brought under this common accountability framework, they will remain the weak links in the chain of accountability. Similarly, it is argued that Government needs to demonstrate consequences for performance or lack thereof. As the old saying goes: 'If you are not rewarding success, you are probably rewarding failure.'

In spite of incomplete implementation, it is, however, encouraging to note preliminary evidence that is beginning to trickle in. As you can see from the

Figure 19: Impact of RFD on Grievance Redress Mechanism

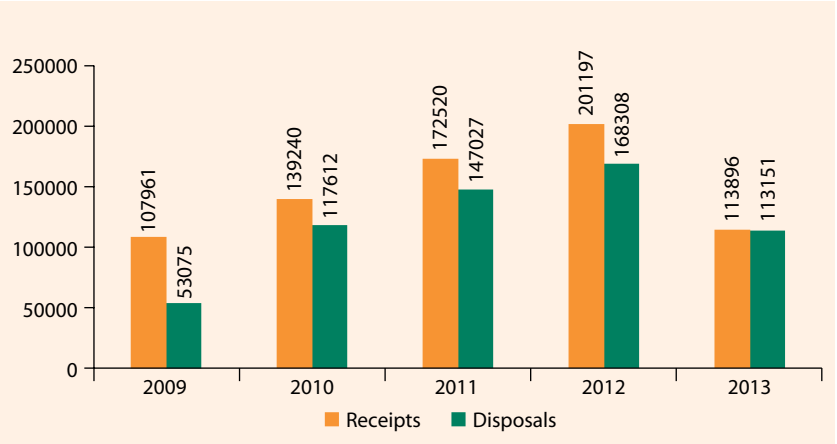
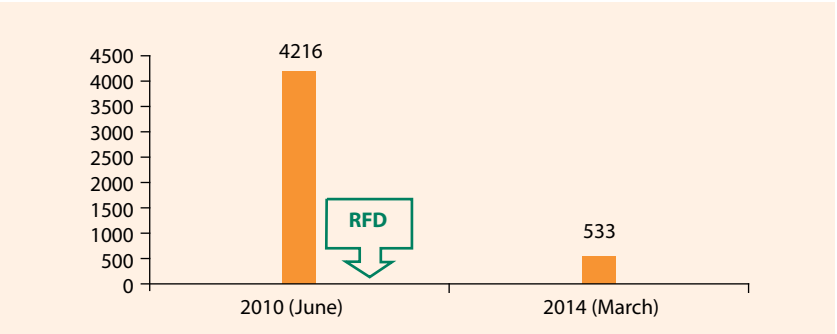


figure above, before the introduction of a success indicator for measuring performance with respect to Grievance Redress in RFD, the difference between grievances received and disposed was significant. In 2009, only about 50% of grievances registered on the computerised grievance redress system were disposed. In 2013, after three years of RFD implementation the disposal rate for grievances filed electronically is 100%. The data for this statistic is generated and owned by another department in Government of India, the Department of Administrative Reform and Public Grievances (DARPG), so there is no conflict of interest in presenting it as evidence on behalf of PMD. According to staff of DARPG, before Grievance Redress became a mandatory performance requirement in RFDs, it was widely ignored. If RFD has modified behaviour in this area, it is reasonable to believe that it has had impact in other areas as well.

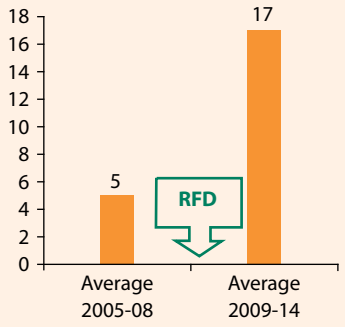
Similarly, at the request of the Ministry of Finance, mandatory indicators dealing with timely disposal of CAG paras were introduced in the 2011-12 RFDs. At the time of introduction the total pendency of paras was 4216. As can be seen from the figure given below, by 2013-14 pendency of CAG paras had come down to 533.

Figure 20: Impact of RFD on reduction in pendency of CAG Paras in GOI

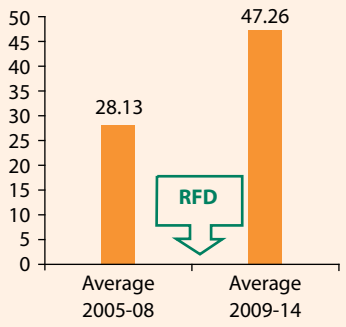


A quick glance at RFD data yield innumerable examples of dramatic turnaround as a result of introduction of RFD. In the following figure we give a few examples to show before and after impact on several important economic and social indicators. The figures are self explanatory.

Coverage of OBC students for Post-matric scholarship

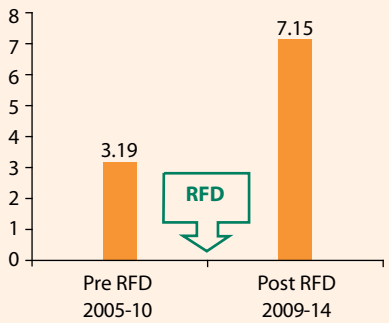


Coverage of SC students for Post-matric scholarship



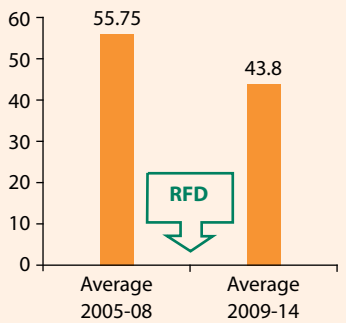
Rural Teledensity

(Average Annual Growth Rate)
Department of Telecommunications



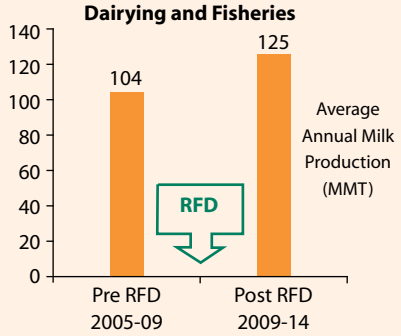
Reduction in Infant Mortality Rate (IMR) per 1000 live births

Ministry of Welfare



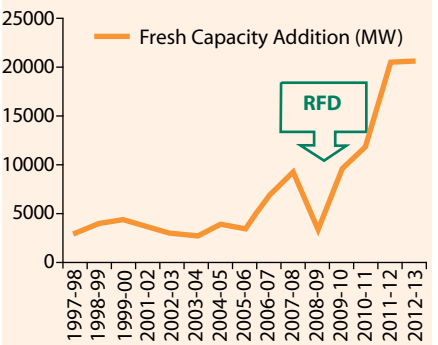
Increase in Enhancement of Milk Production

Department of Animal Husbandry, Dairying and Fisheries



Fresh Capacity Addition of Power

Ministry of Power



Another piece of early evidence comes from a Ph.D. thesis submitted to the Department of Management Studies, Indian Institute of Technology (IIT), Delhi. This research study was undertaken with the objective to provide an integrated perspective on Results-Framework Document (RFD) in the emerging technological and socio-economic context. The study analysed the structure and processes of the ministries and their impact on the effectiveness of the RFD process. The effort was to identify the gaps and overlaps that exist while implementing the initiative under the Central Government dispensation.

The study based its analyses on the executive perceptions of members of All India Services /Central Services /Central secretariat services with a seniority of Under Secretary and above, obtained through a structured questionnaire based survey. A sample size of 117 officers was taken. The findings were corroborated and refined based on semi-structured interviews of senior civil servants.

The research revealed that the RFD process has been perceived to contribute significantly in following areas of Governance:

i. Objective assessment of schemes and programs being implemented by the Ministries in Government of India

ii. Development of a template to assess the performance of ministries objectively

iii. Facilitating objective performance appraisal of civil servants.

iv. Inculcating Performance orientation in the civil servants by channelising their efforts towards meeting organisational objectives

v. Facilitating a critical review of the schemes, programs and internal organisational processes for bringing in required reforms.

vi. Facilitating the policy makers to relook and redefine the ministry's vision, mission and objectives.

Another robust source of information comes from practitioners who have seen both systems –old and new. For example, Mr. J. N. L. Srivastava, Former Secretary to Government of India, outlined the following advantages of the RFD system:

i) The timeline as Success Indicator has accelerated the process of decision making, issue of sanctions and release of funds, etc.

ii) In the past, monitoring of various programmes has been *ad hoc* and many times unattended. The RFD system has helped in development and adoption of better and regular systems of monitoring and faster introduction of IT based monitoring systems.

iii) With a focus on RFDs for the Responsibility Centres which are directly involved in implementation of the schemes, the implementation of the programmes and its monitoring has improved.

Similarly, Mr. S. P. Jakhanwal, Former Secretary Coordination in the Cabinet Secretariat say that: "impact of RFD system may not be limited from the perspectives of figures of achievements against targets. In the last five years, RFD system has impacted on the performance of the ministries/ departments of the central government in many ways:

i) New Initiatives (left out earlier) were identified in consultation with the Ministries

ii) Larger outputs/More efficient delivery system/reducing time in delivery of services

iii) Schemes were made more self-supporting with higher generation of revenues

iv) Realistic targets (as against soft or unrealistic targets) were agreed to during discussions with the ministries.

v) Some of the ways in which ministries assigned to Syndicate 6 got benefitted in improving their performance by adopting RFD system are listed in Annex I.

He goes on to give several examples in each of the above categories. His entire comments are available on *www.performance.gov.in* or *www.gopempal.org*

Another very persuasive argument in support of PMES/RFD comes from one of the world's top three credit rating agency – Fitch India Ratings and Research. Known for their objectivity and credibility, Fitch goes on to say:

> *"**PMES – A Step in the Right Direction:** India Ratings & Research (Ind-Ra) believes that the 'Performance Monitoring and Evaluation System' (PMES) is an opportune step to improve public governance and deliver better public goods/services in India." "Ind-Ra believes that PMES is … in line with international best practices. The overall objectives of the PMES are in sync with the new union government's focus on 'minimum government and maximum governance.' Ind-Ra believes that the PMES introduced by the previous government should not only continue, but also be strengthened with time."*

The entire Fitch Report flushing out the above argument in a systematic way is available at: http://www.indiaratings.co.in/upload/research/specialReports/2014/6/27/indra27GoI.pdf. A copy of the report is also annexed (Annexure J).

Finally, as we shall see in the next section, the impact of a policy similar to RFD has had dramatic impact on the performance of public enterprises in India. We hope in a few years' time, the impact of RFDs would be judged to be as dramatic as it has been in the case of MOUs.

11. RFD versus Memorandum of Understanding (MOU)

11.1 About MOU

The Memorandum of Understanding (MOU) is a negotiated document between the Government, acting as the owner of Centre Public Sector Enterprise(CPSE) and the Corporate Management of the CPSE. It contains the intentions, obligations and mutual responsibilities of the Government and the CPSE and is directed towards strengthening CPSE management by results and objectives rather than management by controls and procedures.

The beginnings of the introduction of the MOU system in India can be traced to the recommendation of the Arjun Sengupta Committee on Public Enterprises in 1984. The first set of Memorandum of Undertaking (MOU) was signed by four Central Public Sector Enterprises for the year 1987-88. Over a period of time, an increasing number of CPSEs was brought within the MOU system. Further impetus to extend the MOU system was provided by the Industrial Policy Resolution of 1991 which observed that CPSEs "will be provided a much greater degree of management autonomy through the system of Memorandum of Undertaking."

Today, as many as 200 CPSEs (including subsidiaries and CPSEs under construction stages) have been brought into the fold of the MOU system. During this period, considerable modifications and improvements in the structure of and procedures for preparing and finalising the MOUs have been affected. These changes have been brought about on the basis of experience in the working of the MOU system and supported by studies carried out from time to time by expert committees on specific aspects of the MOU system.

Broadly speaking, the obligations undertaken by CPSEs under the MOU are reflected by three types of parameters i.e. (a) financial (b) physical and (c) dynamic. Considering the very diverse nature of activities in which CPSEs are engaged. It is obviously not possible to have a uniform set of physical parameters. These would vary from enterprise to enterprise and are determined for each enterprise separately during discussions held by the Task Force (TF) with the Administrative Ministries and the CPSEs . Similarly, depending on the corporate plans and long-term objectives of the CPSEs, the dynamic criteria are also identified on an enterprise-specific basis.

11.2 Comparison and Contrast with RFD

RFD and MOU systems are exactly the same in their conceptual origins and design. The differences are mostly cosmetic. A large part of success of RFD system can be traced to the successful experience of implementing MOUs in the public enterprise sector.

Similarities between RFD and MOU systems

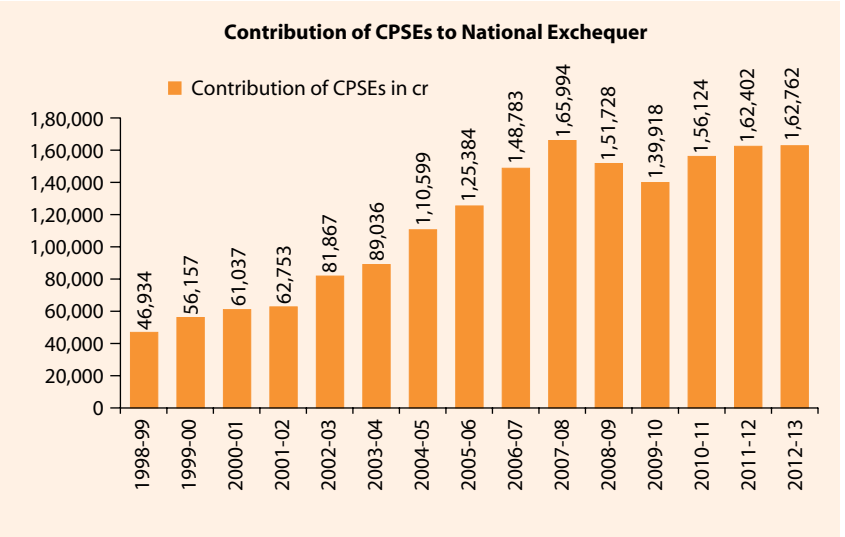
1. Both represent an agreement between a 'principal' and an 'agent'.
    a. RFD is between Minister (Principal) and Departmental Secretary (Agent).
    b. MOU is between departmental Secretary (Principal) and Chief Executive of the public enterprise (Agent)
2. Both have similar institutional arrangements.
    a. The quality of both is reviewed by ATF (non-government body of experts)
    b. Both are approved by High Powered Committees chaired by the Cabinet Secretary.
3. Both use a Composite Score to summarise the overall performance. The methodology for calculating the Composite Score is same.
    a. The RFD Composite Score reflects the performance of Government Department
    b. The MOU Composite Score reflects the performance of public enterprise.

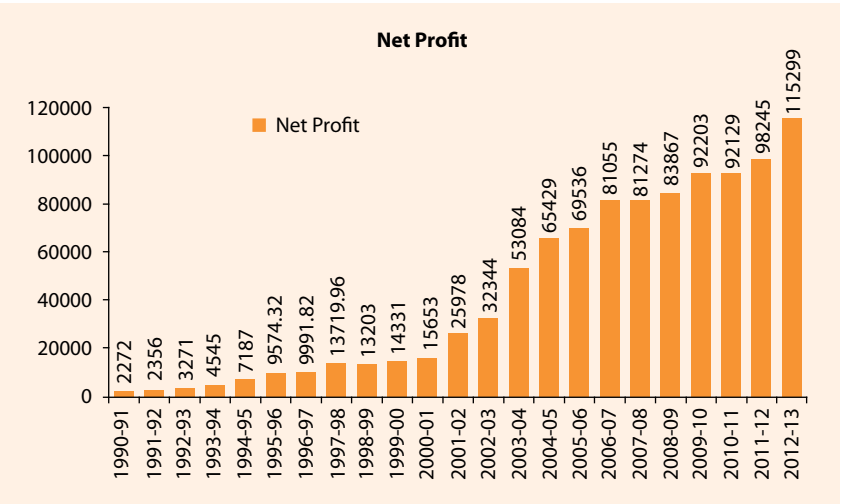
Differences between RFD and MOU

1. One significant and substantive difference is with regard to incentives for performance. MOU score is linked to a financial incentive for public enterprise employees, whereas RFD score is not yet linked to financial incentives.
2. Cosmetically RFD and MOU differ in terms of the scale used. RFD uses a 0% -100% scale, whereas, MOU has a five point scale from 1-5.

The MOU system has had a major impact on the performance of public enterprise. While, this is true with regard to a wide range of parameters, we present the impact of MOU system on the surplus generated for the exchequer and trend in net profits for Central Public Sector Enterprises (CPSEs).

Figure 21: Contribution of CPSEs to National Exchequer and their Net Profit earnings





As mentioned earlier, the distinctly positive impact of MOU on public enterprise performance is one of the reasons for Government's optimism about this contractual approach to performance management.

12. In Conclusion: A SWOT Analysis of PMES/RFD

While no management system is perfect, only an objective management analysis of a system can lead to improvements. In that spirit, we briefly summarise a SWOT analysis of the system.

Strengths

- PMES has stabilised and it is widely understood and accepted.
- The quality of the evaluation system has improved over the past five years
- It is considered to be state-of-the-art evaluation methodology by independent and informed observers. This was re-affirmed by international experts in a Global Roundtable organised by the Performance Management Division, Cabinet Secretariat.
- 18 States cutting across political lines have initiated implementation of PMES and hence there will be no political opposition to a revamped PMES.

Weaknesses

- In the absence of a performance related incentive scheme (PRIS), it is difficult to sustain motivation. Implementation of PRIS has been recommended since the 4th Central Pay Commission in 1987 and it is time to implement it.
- The current system of Performance Appraisal Reports in Government can be improved further and linked to RFD. Today officers get almost perfect scores but the department gets only modest score. This disconnect has be to eliminated.
- While the results of RFD are placed in the Parliament, they need to be publicised more widely to have greater impact on behaviour of officials.
- The connection between performance and career advancement should become more apparent.

Opportunities

- There is a clear hunger in the world, as well as India, for good governance and accountability through rigorous evaluation.
- This is a very normal way to manage any organisation (public or private) and citizens expect this to happen in Government.
- The entire machinery for accountability for results through rigorous evaluation is in place and can become truly effective with strong political leadership
- This is one of the easiest aspects of governance for citizens to comprehend.

Threat

- Any delay in further enhancing the effectiveness of PMES and RFD will lead to disillusionment as it did with previous efforts like the Performance Budget and Outcome Budget.

For more information on PMES/RFD, please visit:
www.performance.gov.in



For more information on Global Roundtable and background material, please visit: *www.gopempal.org*

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Australia



Australia at a Glance

Capital	Canberra
Government	Federal Parliamentary Constitutional Monarchy
Population	23.13 million (2013)
Area	7,692,024 km^2 (6^{th} in the world)
GDP	$1.561 trillion (2013)



AUSTRALIA
Outcomes and Programs Reporting Framework

Vinod Vaish*

1. Country Profile

Australia is a constitutional monarchy with federal division of powers and a parliamentary system of government. There are six states and two major mainland territories, and the federation is known as the Commonwealth of Australia. Two major political groups usually form the government, federally and in the states – The Australian Labor Party (considered Centre-Left) and the Coalition (considered Centre-Right) which is a grouping of the Liberal Party and its minor partner known as the National Party.

Federal legislation can override state legislature in some areas set out in Section 51 of the Constitution. States have all powers over schools, state police, state judiciary, roads, public transport and local government. States manage hospitals and attached outpatient services, welfare and community services, infrastructure.

The Federal Government has 20 departments & three central co-coordinating departments. They are:

a. Finance & Deregulation (DoF): Focused on the expenditure side of budget

b. Prime Minister & Cabinet (PM&C): Focused on government policy objectives and whole of government policy issues

c. Treasury: Focused on taxation side of budget and macroeconomic issues

All three departments have desk offices which shadow the line departments, analyse and question the new policy spending proposals of line ministries.

* Former Secretary, Department of Telecommunications, Ministry of Communication and Information Technology, Government of India

2. Evolution of Performance Management

The Australian Government Performance Management System (GPMS) dates back to 1986 when the evaluation system was introduced which systematically evaluated all government programs every three-five years. The data generated from the evaluation system was used by officials, Ministers and Cabinet in the annual budgeting process. With the change of government in 1996, a new approach was adopted that gave more autonomy to managers. Called 'Performance Framework – Outcome & Outputs Framework', this focused more on monitoring performance indicators; it supported accountability reporting to the Parliament and was meant to reduce red tape and make the system simple. But with a change in the economic and political scenario, a mix of the earlier two approaches was introduced in 2007 which was clubbed with a renovated monitoring framework, Outcome and Outputs budgets and Programme Budgeting with renewed focus on evaluation and review and named as 'Outcomes and Programs Reporting Framework'.

The strengths and weaknesses of the approaches followed in the three periods mentioned above have been aptly summarised in a tabular statement in a working paper titled 'The Australian Government's Performance Framework (Mackay, Keith. 2011, Evaluation Capacity Development Working Paper No.25, World Bank, Washington, DC.). This has been utilised along with some more relevant information contained in the above cited paper and the compilation can be found in Annexure K.

The monitoring and evaluation systems in Australia are undergoing a process of renovation and many changes are underway to take care of the identified shortfalls. Besides, under the aegis of the Council of Australian Governments (COAG), details of which have been given separately in this report an ambitious programme of policy reforms of national significance has been adopted in 2008 and this is being closely reviewed by the COAG Reforms Council.

3. Structure of Government Performance Management System (GPMS)

The Australian GPMS can be seen as a three-tier system that operates at state, federal and at the COAG level. The pivotal focus of the GPMS is to balance national and state priorities for citizen welfare.

3.1 Federal Level

The GPMS focus is on 'Performance Agreements'. These agreements are between the political head and the permanent Secretary. The departments are given autonomy by the Federal Government on agreement content and formats. At the federal level there is no centralised monitoring department

or system to review the agreements. The department is responsible for demonstrating how it is performed during the agreement tenure, while its senior functionaries appear before the committees which review their performance for the agreement tenure. To validate the department performance, the department is subjected to Performance Management audits.

3.2 State Level

The GPMS is similarly structured here as the federal level. The departments are required to provide performance information in their annual reports with data on predetermined targets, and the trend in performance over time.

3.3 The Council of Australian Governments (COAG)[1]

The COAG is a unique apex level inter-governmental body and the peak intergovernmental forum responsible for implementing reforms in the Commonwealth of Australia. It is currently pursuing a reform agenda aimed at improving economic and social participation, strengthening the economy, creating a more sustainable and livable Australia, delivering better health services and closing the gap of Indigenous disadvantage. The COAG plays a pivotal role in promoting policy reforms of national significance or those which need coordinated action of all Australian governments. The members of COAG are the Prime Minister, Premiers of all states and territories, Chief Ministers and the President of the Australian Local Government Association, while it is supported by inter-jurisdictional, ministerial-level councils. These councils facilitate consultation and cooperation amongst members.

National Agreements: under the aegis of COAG, critical component of Australian GPMS assist the Federal Government in ensuring balanced focus across all states on fundamental service delivery to the citizens. National Agreements are signed documents between the federal and state governments and consist of:

a. Vision & Mission

b. Statement of objectives, outcomes and performance indicators

c. Performance benchmarks

d. Roles and responsibilities

e. Policy & Reform direction

(For more features of the National Healthcare Agreement structure, see Annexure M.)

[1] COAG refers to The Council of Australian Government. Details in Annexure - L





3.4 Evaluation Mechanism under COAG

Performance Reporting: The accountability of governments to the public is being enhanced through simpler, standardised and more transparent public performance reporting for all jurisdictions, underpinned by clearer roles and responsibilities.

The new framework for federal financial relations replaces Commonwealth prescriptions on state and territory service delivery with a new focus on the achievement by all levels of government of mutually agreed objectives and outcomes. As a consequence, the community needs to know which level of government is accountable for the delivery of a particular service, and whether that government's policies and programs are:

a. Effective in contributing to the desired outcomes;

b. Being implemented efficiently;

c. Reaching those people for whom they are intended.

The reporting framework focuses on the achievement of results, efficient service delivery and timely provision of publicly available performance information.

Performance Reporting for National Agreements: The performance reporting framework for the National Agreements is based on:

a. High-level performance indicators;

b. Steering Committee for the Review of Government Service Provision having overall responsibility for collating the necessary performance data; and

c. COAG Reform Council publishing performance data relating to National Agreements, and National Partnerships to the extent that they support the objectives in National Agreements, within three months of receipt from the Steering Committee, along with a comparative analysis of this performance information that:

   - focuses on the high level National Agreement performance indicators;
   - highlights examples of good practice;
   - highlights contextual differences between jurisdictions which are relevant to interpreting the data;
   - reflects COAG's intention to outline transparently the contribution of both levels of government to achieving performance benchmarks and to achieving continuous improvement against the outcomes, outputs and performance indicators.

Performance Reporting for National Partnerships: The COAG Reform Council is the independent assessor of whether predetermined milestones and performance benchmarks have been achieved, before an incentive payment to reward nationally significant reforms or service delivery improvements under a National Partnership reward payment is made. The final decision on payments will be made by the Commonwealth.

To assist the COAG Reform Council, the agreements underpinning each National Partnership reward payment clearly set out the milestones and performance benchmarks to be achieved for each jurisdiction to be eligible for a payment. The COAG Reform Council draws on existing subject or technical experts when an assessment of performance is required.

Conceptual Framework for Performance Reporting: This conceptual framework supports performance reporting under the Intergovernmental Agreement on Federal Financial Relations. The focus is on performance reporting under National Agreements and reform-based National Partnership Agreements on criteria to review the quality of performance indicator, and guiding principles for the review of existing performance indicators.

National Minimum Data Sets: The Standing Council on Federal Financial Relations maintains a register of the national minimum data sets required to allow comparative reporting of governments' achievement against agreed objectives and outcomes. In undertaking this task, it will consult with other COAG Councils and data collection agencies such as *www.myhospitals.gov.au, www.myschools.edu.au* that validates the results.



http://www.myhospitals.gov.au





4. Comparison with India

This has been done by first observing some of the following key facts of the Australian situation:

a. Ranked 2nd in the UN 2011 Human Development Index (HDI)

b. Fourth largest life expectancy in world

c. World's 12th largest economy

d. Fifth highest per capital income GDP ($66984)

e. Ranked 1st in Legatum 2008 Prosperity Index

f. All Australian major cities fare well in Global Comparative Livability Survey

g. Population of 22.31 million highly urbanised

h. It is a mega diverse country. Much of its bio-diversity is unique

i. Protection of environment is a major political issue

j. Adult literacy rate was 99/100 in 2003

It is apparent that Australia is much ahead as a developed country on most of the parameters and the nature of challenges it is required to deal with as part of government management would be quite different to those in a developing country like India with a population of over 1.2 billion.

4.1 Similarities

India and Australia share a similar federal structure and parliamentary system. The following are the similarities of the performance management systems of both countries:

a. In Australia, GPMS has been prevalent at federal and state levels for long. In India, while it has been strengthened at the federal level during the last five years through the RFD approach, at the state level, it is still in the process of being gradually introduced.

b. Both systems share a similar conceptual structure: focus on outcomes-based objectives and design of performance indicators on these objectives

c. Both the systems use information systems to design and collate large number of performance indicators to ensure timely availability of information. Also, SIs or KPIs of both systems are in need of further improvement

d. Benchmarking in both systems still very poor.

e. Neither systems sufficiently incorporate citizen participation or survey results on citizen preferences and levels of satisfaction.

4.2 Dissimilarities

a. The Government of India has institutionalised a centralised department at the federal level to ensure completion of performance management for all applicable departments/states. Australia has no such centralised department.

b. The Indian performance management system is a uniform system with regard to content and format, while in the Australian GPMS, the content and format is as per the department prerogatives.

c. In Indian system, targets are finalised after review of ATF and HPC, while in Australian GPMS, targets are left to the organisation as the focus is on outcomes structured at federal/state level through the budgetary process.

d. In Indian GPMS, there are no agreements between federal and state governments on service delivery on the lines of National Agreements as in Australia.

e. In Australia, COAG acts as an enabler to drive the seamless integration of reforms in selected areas and achieve certain selected national priorities. In the Indian context, this kind of mechanism is almost non-existent. The Inter-State Council in the Ministry of Home Affairs in India is not perceived to be performing this function.

f. In India the evaluation of department/state performance is done through ATF, while in the Australian GPMS, performance audits are conducted at multiple levels, internally as well as externally. The Australian National Audit Office (ANAO) is very active in providing help for capacity building in performance management.

g. Institutional/departmental performance indicators percolate to individual performance appraisals (Individual Performance Indicators) and linked to incentives in the Australian GPMS. There is no such direct linkage between department and individual performance in the Indian system.

h. The Australian GPMS has percolated through to the lowest that is, local council level, while the Indian system is not even mandatory at the state level.

i. Unlike the Indian system, the Australian GPMS is used for allocation of resources.

j. The Australian GPMS identifies risks at the individual and team level which might impact on organisational performance; in India, risk management has not yet been introduced into the performance management system. The Australian GPMS includes citizen assessments of government performance; in India, this is done on an ad hoc basis.





5. Lessons for India

5.1 The bulk of the government revenues in Australia are collected at the federal level, however most of the public delivery services are with the states. Related implementing agencies are also with the states. This situation is quite akin to the one in India.

5.2 The model of National Agreements and National Partnerships under the aegis of the Council Of Australian Governments is relevant for India, which also has a federal system, particularly as this model is driven by a set of clearly identified objectives, outcomes, identification of performance indicators and based on agreements between the federal government, states and territories at the highest political levels. The number of areas selected being less is conducive to a focused approach allowing for deliverables to be achieved within a reasonable span of time.

COAG is believed to have a strong record of driving reforms that have improved the lives of all Australians. COAG has initiated action to improve delivery of government services in areas like:

- Healthcare
- School Education
- Regulatory reforms that create a seamless nation economy by ending unnecessary differences between laws covering the overlapping areas in different states

In India, there exists a National Health Mission and also pan-India missions in education and national skill development. But the conceptual framework of outcome orientation and identification of performance parameters/ indicators, and their monitoring, do not share the rigor, comprehensiveness and political involvement and ownership as the framework of the National Agreements in Australia.

5.3 Statutory backing is essential to ensure that changes in political scenario do not derail the GPMS and to bring in greater political ownership of the GPMS.

5.4 Linkages between department and individual performance have to be established to drive incentive mechanism in the Indian RFD.

5.5 Mandatory implementation at all levels of governance, from federal to local will improve the governance and service delivery to the citizens.

5.6 Introduction of the agreement mechanism, between federal and state level on some matters of national importance like primary health care, school education by defining deliverables, mechanism to evaluate agreements, internal and external audit structures etc. This learning can be enriched by making use of the Australian experience on National Agreements under the aegis of COAG, that defines cross-cutting agreements (NAs) covering national priorities without undermining the accountability of existing departments.

5.7 This above point would also require a strengthening of the accountability embedded in the agreement mechanism, as this is the foundation for providing the fund-recipient partner with more flexibility, allowing them to choose how they best go about achieving the results set out in the agreement. *(See Annexure L for the following important quote: "…to move away from prescriptions on service delivery in the form of financial or other input controls, which inhibit state service delivery and priority setting. Rather than dictating how things should be done, the framework focuses on the achievement of mutually agreed outcomes, providing the states with increased flexibility in the way they deliver services to the Australian people".)*

6. Conclusion

It does seem that in the marathon race for development and meeting citizen's expectations, India would need to make Herculean efforts. Perhaps, in this area we, at best, are somewhere only in the middle whereas Australia is in the last mile. The Australian experience on 'National Agreements and National Partnerships' can nevertheless be tailored to the Indian context to ensure that in certain selected areas of national priority the limited financial and human resources here are employed more efficiently, their implementation managed and monitored more effectively, to provide greater citizen satisfaction. This is a recurring issue raised in many country papers, as it appears that most countries have some sort of tiered approach for 'high national priorities' versus the other, regular priorities. While the Australian approach has many pros worthwhile for further study, it appears that as a first step it may actually make sense to pursue an in-depth study aimed towards the delineation of the boundary between what could be achieved through the existing RFD system, and which specific programmatic or other national priority tasks would indeed require an architecture supplementing the existing system mechanisms currently available in India with a separate track of high national priorities.

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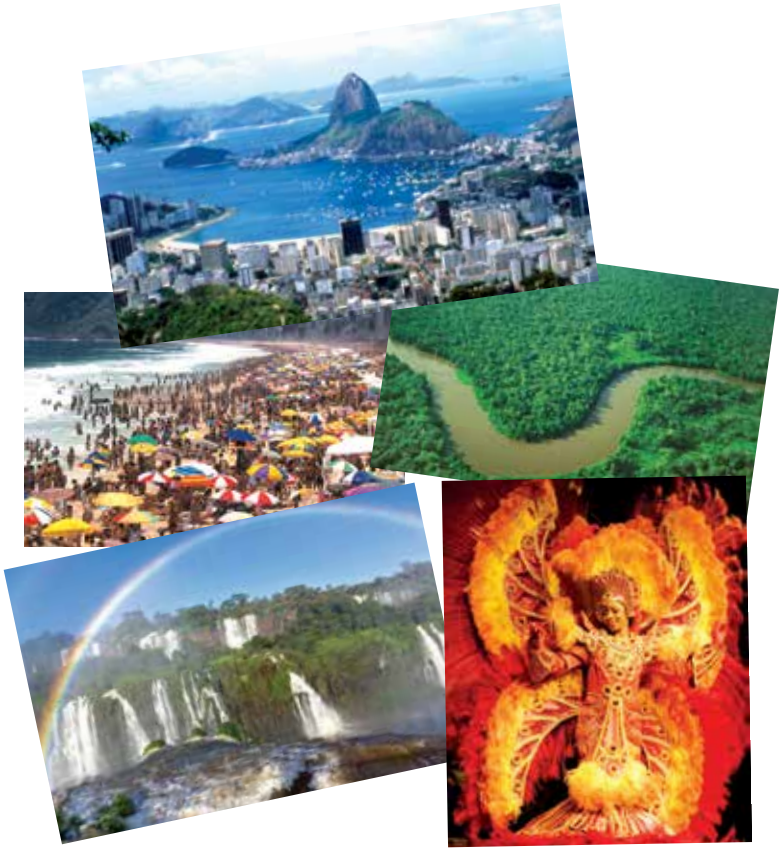
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Brazil



Brazil at a Glance

Capital	Brasilia
Government	Federal Presidential Constitutional Republic
Population	200.4 million (2013)
Area	8,515,767 km^2 (5th in the world)
GDP	$2.246 trillion (2013)



Brazil

Performance Agreements and New Public Management

Pawan Chopra*

1. Country Profile

Brazil is South America's largest country both in terms of area and population. An economic giant, it is one of the world's biggest democracies. It has a federal republic government setup based on a written constitution.

The political and administrative setup of Brazil comprises the federal and state governments, , the federal district and the municipalities. The federal government exercises control over the central government and is divided into three independent branches: executive, legislative and judiciary.

a. Executive power is exercised by the President and advised by a cabinet.

b. Legislative power is vested upon the National Congress, whereby a two-chamber legislature comprising the Federal Senate and the Chamber of Deputies.

c. Judicial power is exercised by the judiciary, consisting of the Supreme Federal Court, the Superior Court of Justice and other Superior Courts, the National Justice Council and the Regional Federal Courts.

The states are autonomous sub-national entities with their own constitutions and governments that, together with the other federal units, form the Federative Republic of Brazil. Currently, Brazil is divided politically and administratively into 27 federal units, that is, 26 states and one federal district. The executive power is exercised by a governor elected to a four-year term. The judiciary is exercised by courts of first and second instance addressing the common justice. Each state has a unicameral legislature with deputies who vote state laws.

* Former Secretary, Ministry of Information and Broadcasting, Government of India

The municipalities are minor federal units of the country. Each municipality has an autonomous local government, comprising a mayor, directly elected by the people to a four-year term, and a legislative body, also directly elected by the people.

2. Evolution of GPMS in Brazil

Democratic experience in Brazil is not very old: there were military governments until 1985, and only recently have the civil service recruitments been based on merit after administrative reforms initiated in 1995 by the then Minister of Administrative Reforms Luiz Carlos Bressor-Pereira. Prior to that, there was a tradition of 'patrimonialist' recruitments, which led to a substantial part of the services being less professional and skilled than required, necessitating special measures to get rid of the deadwood. To quote one paper on the subject, 'public employment in Brazil has been one of politicians' key political resources …….clientelism and patronage always found a way to capture the new structures ….. up to 1960 less than 10% of the total state employees joined the civil service through public entry examinations…..'. Thus, for Brazil, Performance Agreements were only incidental to putting all-encompassing Civil Service Reforms in place along with introduction of strong fiscal discipline.

The circumstances in which the country was placed made Bresser-Pereira, a well-known economist and Minister, push the agenda for New Public Management and Administrative Reforms from the years 1995 to 1998 and again from the year 2002 which continues until present day. The reforms were patterned on the *'managerialism'* model developed in the Anglo Saxon countries in the Thatcher years.

The reforms by Bresser-Pereira envisaged retaining only the core of government activities, with all commercial activities being subject to a process of disinvestment or public-private partnership and welfare state activities being farmed off to welfare organisations in the non government space for execution (although policy and funding were to remain with the Government).

The move towards, 'Acordos de Resultados' in the Brazilian state of Minas Gerais and variants in other states came much later in the year 2003 when the second wave reforms starting with the so-called, *'Management Shock'* got underway. The agreements at the Federal level and those in different states are not uniform and vary in their levels of comprehensiveness – however there is a very strong emphasis on results and impacts in the medium term. The multi-annual nature of the agreements helps in bringing about an 'outcomes focus' more efficiently than annual agreements.

3. Structure of PMS at Federal and State level

At the federal level, Ministries are not subject to performance agreements. Additionally, the Planning and Finance Secretariats also do not encourage performance agreements – as it would commit them to providing funds on a firm basis and reduce the flexibility as is now available for effecting across the board, budget cuts, when required. The key instrument for monitoring performance is the multi-year plan, which is developed for a four-year period and is expected to reflect the Presidential, Ministerial (political) and Organisational priorities. In other words, the traditional methods of budget utilisation and meeting plan targets continue at the federal level, to be largely the instruments used. However, there are some examples of contracts with implementing agencies.

An examination of sample performance agreements titled, 'Contratos de Gestao' or 'Administration Contracts ' entered into by the Federal Ministry of Industry and Commerce with two of its agencies cover a four-year period, although there is an year-wise break up in the annexure(s). Also, there appears to be a more formal, almost contractual approach in the drafting of the agreements. It appears that there are performance agreements even with NGOs implementing government programmes – this is perhaps, a sequel to the vision of Bresser-Pereira, who wanted welfare activities of the state also to be outsourced, leaving only the core governance functions with Government. Such performance agreements with NGOs could throw up important lessons for India, where there is an increasing tendency to give grants to NGOs for executing welfare programmes, without any documentation of mutual obligations and only on the basis of broad conditions mentioned in the financial sanctions, against which the grantee organisations, merely give routine 'utilisation' certificates. Having said this, it needs to be mentioned, that the signing of performance agreements is not mandatory across the many agencies controlled by the Federal Government in Brazil; some of the agreements are entered into on a voluntary basis.

At state level, Minas Gerais is one of the 26 states in Brazil, ranked as the second by population, the third by gross domestic product (GDP), and the fourth largest by area in the country.

In Minas Gerais, performance contracts, called Management Shock, are a central element of the managerial modernisation process started in 2003. Initially, the Management Shock employed harsh fiscal adjustment measures and setting of development targets. Eventually the system matured towards emphasising collaborative and participatory management, but retaining the centrality of performance contracts.

One of the potent management tools administered at Minas Gerais is Results Agreements (RA), which are performance contracts, with an aim to align the government strategy established in the Integrated Development Plan (PMDI). It is set annually at two levels:

a) Level one is an agreement between the Governor and 22 groups of secretariats denominated operating systems where the targets are agreed on four parameters: Development Results (outcomes), Priorities Portfolio (programme outputs), Strategic Initiatives (regional, cross-cutting, institutional development) and Quality of Expenditure (quality of budget planning, execution and control),

b) Level two, the agreements are signed between the heads of the secretariat and its operating units, which are responsible for implementation of the respective secretariat targets. These agreements are internal management tools, with a view to directing the efforts and resources of each work team, ensuring better quality of service.

The Secretariat of Planning and Public Management (SEPLAG) is responsible for developing and initiating agreements at level one. It prepares a draft proposal based on the governor's guidelines and the Development Plan, negotiating it with the Strategic Management Advisory Offices (AGEI) of each agency. While at level two, SEPLAG prepares an Adhesion Matrix, a set of guidelines to be followed in the implementation of the second stage. Once the targets, conditions and obligations are agreed upon during a meeting, the RA document is signed. The RAs provide more flexibility and autonomy in terms of organisation restructuring, resource utilisation, and management of operational activities.

Another key aspect of this contractual experience is monitoring & evaluation (M&E). At both levels one and two, SEPLAG and the AGEIs play a pivotal role in the M&E process, by developing Implementation Reports, which compare the performance achieved against the established targets along with the reasons thereof.

Results Committees were formed to monitor the progress of Result Agreements by reviewing the performance of all Structured Programs and the quality of spending in Minas Gerais. The evaluation of results is also published to enable suggestions for improvement. Also, a structured performance incentive system was framed to incentivise the state employees. Furthermore, the results-oriented system is being extended to certain city governments.

4. Comparison with India

4.1 Similarities

a. Performance Agreements cover Ministries and responsibility centres quite comprehensively both in India at federal level (Results-Framework Documents) and in the state of Minas Gerais (Result Agreements – Acordos de Resultados).

b. Performance Agreements are available on the websites of the concerned government ministries, secretariats and implementing agencies in India as well as in the Brazilian State of Minas Gerais.

c. Performance against the agreements is monitored by the Performance Management Division of the Cabinet Secretariat in India and the SEPLAG in Minas Gerais

4.2 Dissimilarities

a. Performance Agreements in the form of RFD in India is mandatory only at federal level, while in Brazil, at the federal level, Ministries are not subject to Performance Agreements.

b. Minas Gerais RAs extend to over four years, with yearly reviews, while Indian RFDs are negotiated for one year at a time.

c. The performance results against Result Agreements are published documents and available to the public through the websites in Minas Gerais, while in India, only the state of Kerala has declared the result publicly so far.

d. Result Agreements in Minas Gerais also extend to city administrations; India has yet to go beyond the state level RFDs.

e. In Minas Gerais, performance reviews also cover the quality of expenditure by the secretariat and associated operating unit, while in India, performance reviews focus only on the Key Performance Indicators identified under RFD.

f. Minas Gerais Result Agreements contain provisions for performance-related pays, whereas India has yet to incorporate performance-related pay at the federal or state level.

- The 2007 innovation in RA was the cascading of the RA into two levels: *first level between the State Governor and the heads of State Secretariats and agencies, focused on results of impact for society; and the second level between the heads of agencies and their respective teams, identifying clearly and objectively the contribution of each staff member to the achievement of results.* This two-step approach appears promising, as experience shows that a one-step approach always suffers from the impossibility of being able to attribute individual staff contributions to results, which is why most often HR falls back into their 'insular' perspective of traditional performance reviews, focused on efforts and individual achievements, with a total disconnect with results. *The Productivity Award (limited to one monthly salary per year) was linked to a positive fiscal result in the previous year and depended on a satisfactory result in the first level (at least 70%) and was paid in proportion to performance in reaching the goals of each team in the second level of the agreement.*

5. Lessons for India

5.1 Brazil's tryst with performance management started much earlier than India and it has grown mainly from the need for all-encompassing administrative reforms, and the need to actualise strategic plans of the federal and state governments, as also some city governments. It was an initiative which was politically led, but later internalised by the bureaucracy and followed to a considerable extent, the models developed in the West in the 1980s. There is an acceptance in Minas Gerais of not only making the Result Agreements but also the achievements against them - public for transparency, reference and suggestions by the Citizens.

5.2 While many things are bound to be different, between countries so distant geographically and culturally, the essential motivation -- that is, to make the State deliver services which will make the country more competitive and efficient – is the same. The Brazilian experience seems to be more varied and longer and India needs to examine it carefully to derive lessons which can be learnt – particularly in understanding challenges and pitfalls and in the matter of alignment with strategic plans, flexible HR policies and performance related pays. We could also examine how and to what extent, the quality of expenditure could be measured through RFDs. Brazil too could examine with profit, India's experience with MOUs in the public sector enterprises and the general format of our RFDs which is designed for objectivity in evaluation and comparison between departments in terms of relative performance. India may also have lessons for Brazil in the organisation of its various civil services.

5.2 It is time for India to undertake a comprehensive review of the plethora of monitoring instruments in use at the Central and State levels in order to see which ones need to be discarded and which ones modified and replaced. This can be done in the context of practices prevalent in other countries and which could be profitably adapted and replicated in India. In effecting any changes, care should be taken to ensure that the sanctity of the current RFD exercises is not adversely affected by going forward too rapidly in a rush to emulate others. Extension of RFDs to major municipal organisations is of utmost importance for the future (as also city development authorities and public utilities;) in the context of rapid Indian urbanisation this is an initiative which should not be delayed.

5.4 Performance agreements with NGOs could throw up important lessons for India, where there is an increasing tendency to give grants to NGOs for executing welfare programmes, without any documentation of mutual obligations and only on the basis of broad conditions mentioned in the financial sanctions, against which the grantee organisations, merely give routine 'utilisation' certificates.

5.5 Another feature in the Brazilian system, in the reforms by Bresser-Pereira – that envisaged retaining only the core of government activities – should be studied by India in detail, in order to customise reforms for restructuring bulky ministries and implementing agencies in India.

5.6 The two-level Result Agreements in the state of Minas Gerais, is a well-defined interwoven GPMS for the Secretariat and operating units. It cascades the implementation targets from the Secretariat to the respective operating units. This can be studied in detail, to be implemented in structured manner in India, both at the federal and state level.

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Canada



Canada at a Glance

Capital	Ottawa
Government	Federal Parliamentary Constitutional Monarchy
Population	35.16 million (2013)
Area	9,984,670 km^2 (2nd in the world)
GDP	$1.825 trillion (2013)



CANADA
Management Accountability Framework

S. Sathyam*

1. Country Background

Canada is a federal parliamentary democracy and a constitutional monarchy, however, their direct participation in areas of governance is limited. In practice, their use of the executive powers is directed by the Cabinet, a committee of ministers of the Crown responsible to the elected House of Commons and chosen and headed by Prime Minister of Canada. Further, the Prime Minister's Office (PMO) is one of the most powerful institutions in government, initiating most legislation for parliamentary approval.

Canada is ethnically diverse with a population of approximately 35 million as on 31st December 2012. Canada is also a developed country with the eighth-highest per-capita income and eleventh position in Human Development Index . It ranks among the highest in education, government transparency, civil liberties, quality of life, and economic freedom, among others.

The Canadian Parliament has always believed in responsible spending and sound management of tax dollars. In line with this outlook, they have evolved strategies synchronising with time to meet the ever increasing aspirations of people. In this regard, the Government of Canada introduced many new performance evaluation initiatives. Major feature of this system is the ongoing assessment of all direct programme spending, or strategic reviews and amendments thereof. The above methodology has helped Canada to attain the following:

a. Increase efficiency and effectiveness;

b. Focus on core roles; and

c. Meet the priorities of Canadians.

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2. Evolution of Performance Management Approach

The Government of Canada realised the importance of measuring its performance to ensure that the benefits allocated were getting distributed as planned and reaching the targeted group without any obstacles. In this regard, in 1969, a basic system of performance management was introduced by the Canadian government. By 1977, a formal Evaluation Policy was adopted.

The Evaluation Policy achieved maximum progress through the 1990s: from a mere Evaluation Policy, its purpose was widened by adopting results-based management and accountability. An increase in the latent needs of the public exerted tremendous pressure on the Government making it to push itself to meet these demands. This necessitated in the amendments of the Evaluation Policy in 1991, 2001 and 2009. The above amendments were done by laying emphasis on programme relevance, performance effectiveness, efficiency and economy with transparency as the underlying value of the system.

Out of the above categories, 'Results-Based Management' provides the structure for the allocation of resources and measurement of Programme Performance and is reported to the Parliament including the evaluation of the performance. 'Management Accountability Framework (MAF)' implies the vision of management excellence and framework for assessing soundness of management practices within the Departments.

3. Federal Performance Management Approach

With the active support of Statutory Act, the Government set up new structures and strengthened existing ones. In this, 'Treasury Board Secretariat (TBS)' is an important executive branch that provides advice and support to Treasury Board Ministers, management guidance to Departments, Agencies and Crown Corporations and also direction, leadership, capability and capacity building for functional communities across government.

Apart from the above, TBS supports the following three areas

a. Management Office: Policies for management (e.g. financial management, IT/IM procurement, assets management, internal audit etc.)

b. Budget Office: Public Accounts of Canada, Estimate for Parliamentary appropriation, strategic reviews of departmental operations.

c. People Management: Employer of Public Service, HR management policies, terms and conditions of employment, compensation benefits and labour wages.

The above Executive Branch is adequately supported by the Office of Auditor General , Procurement Ombudsman, Ethics Commissioner, Integrity Commissioner and Parliamentary Budget Officer.

4. Sub-national Performance Approach

The Government of Canada has ensured that every Government Department has their own Management, Resources and Results Structure. A Strategic Outcome is a must from the above and the same can be viewed as 'A long term and enduring benefit to Canadians developed from a department's mandate and vision'. It represents the difference a department intends to make towards its citizens.

To facilitate the outcome, they have designed 'Programme Alignment Architecture' (PAA) that is, an inventory of all the programme activities undertaken by a department, depicted in their logical relationship to each other and to the Strategic Outcome to which they contribute.

Also, there is a 'Performance Measurement Framework' (PMF) which links the planned financial allocations, expected results, performance indicators, targets and actual financial and non-financial results for each programme at all levels of the PAA.

It would be worthwhile to mention that the Evaluation of Departmental Performance is used to assess capabilities of individual employees at all levels. It is also used to review policies, programmes and (budgetary) provisions. Further, the Accountability regimen encompasses not just the Government Department but also its agencies and many Crown Corporations (i.e. Public Sector Enterprises). Interestingly, it extends to the private sector also, in so far as the Auditor General is able to 'follow the money' on use of grants/ contributions.

5. Comparison with India

5.1 Similarities

a. Both India and Canada have a central agency to formulate, guide, oversee and, evaluate the GPM system. The TBS in Canada and the Performance Management Department (PMD) in the Cabinet Secretariat in India are similar in this regard. Formulation of the draft PC (in Canada) and of the RFD (in India) is done by the Civil Servant Head of the Department in both cases. The PC (in Canada) is negotiated with the TBS, and the RFD (in India) is negotiated (albeit through an ATF) with the PMD. In both cases, the negotiators from the government side are the civil servant heads of the Department.

b. Both the Canadian and Indian systems have a superior authority for arbitrating on disputes. In Canada, it is either the President of the TB





or the TB itself, depending upon the seriousness of disputes; in India, it is the High Power Committee of Secretaries (HPC) chaired by the Cabinet Secretary. The structured process of amendment of the PC/RFD, subsequent to the arbitration, is also similar to both the GPM systems with the exception that the MRRS process also includes amendments of resources in the Canadian case [Performance Budgeting and Expenditure Management Systems (EMS)].

c. In India, the negotiations, review and, evaluation of the RFD with the PMD is done through an Ad-hoc Task Force having a cross-sectional representation of experts – retired civil servants of good standing, retired Heads of public sector enterprises, Finance/Accounts professionals and, academicians. In Canada, although the negotiations are primarily with the TBS, limited and indirect involvement of professionals from the private sector and of academicians is done by associating the Canadian Evaluation Society, an active professional association, representing evaluators from the public, private, and non-profit sectors, including academia.

d. The 'purpose' of the systems in both cases is similar: 'Performance Improvement of Government Department/Organisations'. Only, in Canada, 'accountability' is more broadly defined, comprising also accountability for people management, resource management and change management.

e. The evaluation in Canada, with reference to the MAF, is done with assistance from responsible centres (CFO; CAE; CIO; etc.) and helps to assess individual capabilities apart from establishing Departmental Accountability for management results. The Indian evaluation system involves comparison of the annual targets with results/achievements for judging the ability of the departments to deliver results on a scale ranging from 'excellent' to 'poor'.

In both cases, the idea is to strive for improved performance, not punishment for poor or non-performance. It is, however, interesting to note here that the evaluation results in Canada have consistently improved over time, whereas in the case of India, being a late entrant into this arena of GPM, it is still in the process of honing the methods in place to ensure the tracking of every Indian Rupee.

5.2 Dissimilarities

a. The Canadian system, unlike the Indian GPM system, is statutorily backed-up as well as in Treasury Board Policy. It must be recognised here that the Canadian system has taken over 40 years to evolve supported by a series of policy pronouncements and prescriptions.

b. The India system was born out of the Government's agreement of a recommendation put forward in the Second Administrative Reforms Commission. Other than that, there was no formal policy pronouncement.

c. The positioning of a central agency to oversee the GPM system has been cited as a similarity in the two systems. But, a closer look reveals that the similarity is limited to structural features and not functional aspects. The TBS is in charge of not only the Management Office (equivalent to the PMD) but also, importantly, of the Budget Office and People Management. It can, therefore, more easily bring about efficiency and value for money conclusions with resource reallocations, which is more difficult in India. In fact, this is one of the biggest differences between the two countries in terms of the functional set-up.

d. The Canadian System, unlike India, incorporates organised and institutionalised internalisation of the process with powers given to the departmental heads to assign budgetary resources to create special additional capacities to shoulder the responsibility. Part of this internalisation is also the responsibility of each Canadian department to establish its own evaluation function.

e. In Canada, the GPM appears to be the principal evaluation system with a holistic approach whereas in India it is still only one of many such processes and misses integrating the efficiency, effectiveness and value for money dimensions with the programmatic review and planning.

f. For the Canadian GPM system to be equipped to play such an expanded role, the results/achievements of departments and the Departmental Performance Reports are subjected to detailed scrutiny and audit by the external Comptroller General and the Auditor General. The Indian system has just begun to plan for such audits on a sample basis.

g. To enable the departments to face up to such scrutiny and audit, the Canadian GPM system provides for internalised institutional support in the form of a Departmental Evaluation Committee, expert 'evaluators', and an on-going review of evaluation by an Independent Audit Committee directly under the Head of the Department. Significantly, this Committee has a few non-official 'outsiders' as Members (though they only provide advice to Deputy Heads and Ministers). Such an elaborate arrangement is yet to be worked out for the Indian system.

6. Lessons for India

a. India must develop the RFD system as the mainstay of GPM so that the multiplicity of monitoring and evaluation (M&E) systems, do not cumulatively have a discouraging effect. The Canadian MRRS (of 2010)





– Management, Resources and Results Structure – provides an example for the development of a common, government-wide approach aiming to provide an integrated and modern expenditures management framework.

b. India must extend statutory support to inject more seriousness into the proposition. This will also enforce better accountability. The Canadian system also promotes direct performance accountability of the deputy head of the department including pay for performance, but, this aspect, at present, is missing in the Indian system.

c. India should adopt policy pronouncements on different aspects of the GPM (RFD) system by way of Mission Statements.

d. Installing structural support features to allow expert guidance and oversight on a uniform basis is another effective tool the RFD could do with.

e. Adopting a formal and well-structured capacity-building programme will help not only in preparing better RFDs with good SIs, but equally enhance the quality of its implementation. It may be worthwhile to note more explicitly the role of learning from 'best practice' through – among others – cohesive communities of practice in Canada; their role is emphasised by various means (capacity building, emphasis on credibility and comparability, similar support structures).

f. Involving some experts on full-time basis and by linking it with resource allocation – which is key for performance impact (in Canada upto 5% of resources)' – will enhance quality of the GPM.

g. A proper audit of the results/achievements reported by the Departments which gets reported to Parliament will ensure greater accountability.

h. India should promote total transparency of the system by placing all its details in the public domain including audits and evaluations.

i. Certain administrative values/principles/parameters should be commonly applied to all departments. Internationally, Canada is recognised as one of the leaders in integrated service delivery, which may be an area of interest for modernising India's administrative services while making them more efficient.

j. Canada has also been successful in adopting a data-driven approach through the use of the Citizens First Surveys which test public priorities for service delivery.

k. India needs to change the management focus (for continuous improvement) to be part of a GPM system (as it is in Canada).

l. As a sign of a more mature system, Canada is making extensive use of feedback from implementation and assessment, audits and evaluation reports for continuous changes in its programme priorities, including resource allocations. India has a lesson to learn from this.

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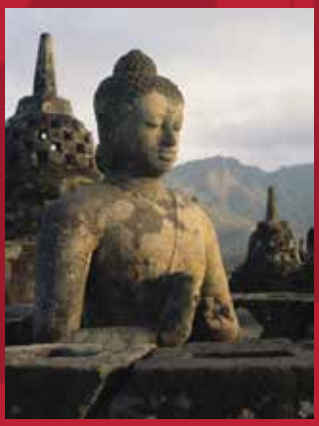
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* Treasury Board of Canada Secretariat website: *http://www.tbs-sct.gc.ca/tbs-sct/index-eng.asp*



INDONESIA



Indonesia at a Glance

Capital	Jakarta
Government	Unitary Presidential Constitutional Republic
Population	249.9 million (2013)
Area	1,904,569 km^2 (15th in the world)
GDP	$868.3 billion (2013)



Indonesia

Presidents Delivery Unit: UKP4

Arun Kumar*

1. Country Background

Indonesia, an archipelago of over 13000 inhabited islands, has a population of 235 million, the fourth largest in the world. Frequently on the receiving end of nature's fury in form of volcanic eruptions and earthquakes, in 2004, the country was also hit by mudslides and the horrific tsunami.

Indonesia's political history has also suffered similar turmoil. The country transitioned from colonial to a severely centralised, authoritarian regime and only in 1998, did it see the first signs of positive change in form of the Reformasi programme. Introduced under President Habibie, the programme led to several legislations being passed such as free and fair elections, reduced representation from military in all national as well as local legislative bodies, and finally several steps towards decentralisation with the separation of the Central Bank from the Government's purview, passing an anti-corruption law in 2002 and creating an anti-corruption authority (KPK) also outside Presidential decree and massive transfer of funds from the national government to city and county authorities.

There were also measures for freedom of press and freedom of expression, removal of military control over the police, ratification of international conventions to eradicate torture and racial discrimination. In 1999 there were further constitutional reforms with the separation of the Executive, Legislative and Judicial bodies. The President would be the head of state, head of Government, C-in-C of Armed Forces and appoint Ministers, not necessarily elected members of Legislature. He would be elected directly by the people.

* Former Chairman, National Pharmaceuticals Pricing Authority, India

Other key State agencies — Central Bank, Election Commission, State Auditor and local authorities — now have substantive autonomy and some regions enjoy full autonomy. An important agency — Constitutional Court — came into being. With time, the country has transitioned, moving towards development and governance via its independent and effective agencies.

2. Evolution of Performance Management System

2004 saw the first direct election of President and Vice President, who could have a maximum of two consecutive terms of five years. The new government inherited an economy, which was still in poor shape. Large numbers of projects were languishing and there was no system in place to expedite and take stock of progress. National Planning Agency (NPA) was setting overall development policy in consultation with line ministries and sending proposals to Ministry of Finance for budgeting. After approval from the Legislature, Ministries with the help of NPA decided on ways to track progress through own monitoring divisions. Only annual checks were carried out; there was no way to find out bottlenecks and blockages and keep the projects on track. Most of the monitoring was based on budget expenditure, not on actions taken or services rendered. There was also no citizen involvement, and inadequate inter ministerial cooperation. As a result, projects fell short of targets. Coordinating Ministers were inducted but cooperation was only voluntary, with their own party interest getting primacy or based on personal relationships.

After being elected the first time President Yudhoyono created a 20-year perspective plan, which set five-year goals and embodied election campaign promises and priorities. Each of the 34 Ministries and agencies had their annual plans in the five-year framework. Based on this they set annual programme agenda. Yudhoyono set up President's Delivery Unit (DU), taking a cue from PM's DU in UK, to help ministries to set priorities and fulfill commitments by drawing up monitoring plans and tracking results. However, stiff resistance and political opposition from his own Vice President, led to its closure.

Yudhoyono had issued 2009-14 Vision, Mission and Strategy statement as his election manifesto, which read as follows:

Vision

The realisation of an Indonesia that is prosperous, democratic and just.

Mission

- To continue with development towards a prosperous Indonesia
- To strengthen the pillars of democracy
- To strengthen the justice dimensions in all fields.

However, in 2009, after winning the second term, President Yudhoyono started afresh, with an ally in Vice President Boediono. The President invited Kuntoro Mangkusubroto, who had done excellent work in Aceh and Nias post-Tsunami and won widespread respect, to head the delivery unit on the lines of UK's DU. Kuntoro set his own terms which included the following:

a. Kuntoro to head the Delivery Unit, be full member of cabinet and would report direct to President

b. Discretion to hire and form his team as a cohesive group

c. Higher salaries along with integrity bond which debarred from accepting any other form of remuneration or favour. This would eliminate the possible excuse of need to look for other sources of income to make ends meet

d. Power to dismiss employees at any time for any reason

After Yudhoyono agreed to the terms, Kuntoro meticulously selected a team of non-partisan persons of integrity. He preferred problem-solvers over rule-bound bureaucratic persons.

He appointed two deputies and gave them specific charge, who in turn, would be assisted by directors, associate directors and other staff. They preferred persons known or referred by known persons for their qualities and built a cohesive team. They even adopted a system where everyone worked on one long table in open space or conference hall, really a team. Only Kuntoro had a cabin.

The campaign promise became his charter and Yudhoyono started earnestly and proceeded to ensure that Vision and Mission for 2009-14 were translated into priority action programmes to facilitate easier implementation and quantify success achieved.

These priority programmes cover sectors and areas, where greatest urgency was felt, viz. Bureaucratic reforms; Education; Health; Poverty Reduction; Food security; Infrastructure development; Investment and Business Climate; Energy, Environment and Post Disaster Management; Disadvantaged, Isolated and Post Conflict areas and Culture , Creativity and Technological Innovation.

There are three additional priorities in Political, Legal and Security Affairs; Economy and People's Welfare.

The VP along with Kuntoro set strategies and priorities and developed a medium-term plan for the 2010-2014 period. President's Delivery Unit called UKPPPP or UKP4, was located in VP's office. It would be the eyes, ears and extended arms of President. The main duties of DU are to assist President in developing, monitoring and oversight of national programmes and assist

him in supervision and control so that all targets are met. Priority duties of DU are determined by the President. Its objectives included:

a. Improve capacity and effectiveness of logistic system;

b. Improve the effectiveness and acceleration of bureaucracy reform and delivery of public services ;

c. Improve business and investment climate;

d. Improve the performance and accountability of strategic State owned Enterprises;

e. Other areas to be specified by the President.

The main functions of UKP4:

a. Supervision and control of 11 national development goals, mainly focusing on monitoring and coordination

b. Debottlenecking

c. Rapid assessment matters of strategic importance a advise President and VP suitably

d. Operation of Control room operations at Bina Graha(President's Palace) to support President's strategic decision making

e. Special assignments from the President and VP to complete expeditiously

But, there were several hurdles, There were not enough people to help remove bottlenecks in implementing policy. There was no government-wide monitoring system. There was lack of cooperation from Ministries.

Initially, the DU set out to deliver on campaign promises to be delivered in first 100 days. Items selected were subjected to three criteria: high visibility and quick results; most strategic in medium-term development plan; and stalled projects which would benefit from intervention.

Clear duties were assigned and 129 action trackers, one for each targeted project launched, in form of Excel sheets with colour markings denoting progress. They listed each goal, line ministry in charge and supporting ministries and agencies. Targets were set for 25, 50, 75 and 100 days. After 100 days, 127out of 129 action plans had been completed.

They then proceeded to follow the same pattern for annual plans. M&E role of DU was expanded and regularised. It currently collects information on milestones every 60 days. The 2010 Plan was passed by the Legislature and created action plans with Ministries in form of steps necessary to complete a project, minimising waiting time at intermediate stages. Earlier, the NPA set targets, but Ministries decided on details and timing.

The DU's role included getting Ministries to get going straightaway by setting specific, aggressive targets in first two quarters and not to wait till third and fourth quarters.

In the follow up phase 11 major priorities were taken up (later three more were added) involving 34 ministries, 70 programmes, 370 indicators, 155 action plans. Focus was on easily measureable, quantifiable, verifiable indicators. Simplicity, ease of reporting, espirit the corps and attention in media were the norms applied.

UKP4 has six deputies under the Head, who handle specific subjects and have professional experts and assistants to help them. To begin with the unit had only 16 persons, which number later became 35.

The problems that the DU faces include lack of coordination among agencies, absence of data sharing protocols, lack of ability of central government to monitor and evaluate programmes initiated at sub-national levels and uneven M&E capacity within the line ministries and agencies numbering 76 with 178 national development programmes, 10,000 activities and 6400 performance indicators among others.

In 2011, UKP4 launched a Web and SMS accessible Public Participation Information System called Lapor, which means 'to report' in Indonesia. The purpose of this was to get input from the public on variety of issues that included corrupt practices of local officials, status of projects on the ground, local problems faced by the people and so on. It was considered unworkable to get progress reports alone and hence combined with the whistle blowing facility. These reports are then processed for validation, and if found worth following up are sent to the concerned Ministry, who either takes action or informs the complainant, or call for further details. If no response is received from the originator, case is closed. In special cases, 10 day time normally granted, may be extended.

The information received is first evaluated for authenticity, relevance etc. to weed out non specific, generalised and unusable reports and then action is taken or further information called for before doing so.

3. Structure: How the Work of DU is Organised?

The DU selects items of national importance. There are programmes and action plans, each of which is put in charge of a Ministry and other Ministries whose support and input is crucial are identified. Action plans are lists of steps necessary to complete a project arranged sequentially to minimise idle time. Initially performance contracts were drawn up at the beginning of the Cabinet's term setting five-year targets based on the President's term. These

have now been split into annual targets. Each year, DU and the Ministries set priority of programmes to be monitored on quarterly basis. These targets must be detailed, measurable and fixed to ensure achieving annual targets. UKP4 acts as the guardian of the outcomes promised in the long term.

Ministries are also required to make self assessment in terms of government performance and accountability. Reports are made every year covering all programmes and sent to Ministry of State Apparatus and Bureaucratic Reforms, who give rating to each ministry.

National priority programmes for each year are set based on President's instructions on acceleration of national priorities. Towards end of the year, the ministries and DU finalise programmes and quarterly targets for the following year. These include mix of annual plans and President's directives.

Results are not made public but discussed in Cabinet meetings with all ministers. The DU makes a score card for each Ministry, so that it can track the quarterly performance. Tracking can be done online also. The score card is taken seriously and can be a consideration for reshuffle.

Ministries may try to fix soft targets, but domain knowledge of DU team members becomes crucial and is used for fixing stiffer, more appropriate targets.

The DU devised excel sheets for reporting the progress during the first 100 days of the new Government. The same process continued after that as the system got regularised. The number of action plans rose from 369 in 2010 to 413 in 2012.

On account of shortage of staff, monitoring was made quarterly for 5-10 important action plans and other plans monitored less frequently. Results are shared in the cabinet meetings with the President every quarter.

Ministries are required to send reports with documents to support their claims of progress. However, wide variance was seen in the documents that were needed and what were actually sent leading to confusion. The documents may also be incomplete or misleading. An online portal was therefore put in place where the Ministries could post results, and documents and get feedback to enable making necessary corrections.

Discussion of results in the cabinet meetings led to protests from some ministries. Now tracker results are shown only to the President, who then discusses with the Minister and decides how to deal with them. Kuntoro is not present in these meetings, but attends cabinet meetings.

In 2011, the DU created online portal for posting documents, but these were not shared with others. Inter-ministerial coordinating meetings are held to

sort out and determine direction to be followed. Results of the meetings are hosted on VP's website, which is public. DU is able to spot bottlenecks during tracking and bring problems to the notice of VP after analyzing them. The main achievement is to get the people together to sort out in systematised manner.

In the first year, Ministries sent tracker sheets by email along with proof of progress to DU. DU undertook field visits to cross check. Technological solutions have come to fore for monitoring purpose. Indonesia made use of its high mobile connectivity to get feedback from the people through Lapor, the complain/comment system referred to above. This has obviated the need for frequent field visits.

PCs are drawn up by all Ministries after discussing with DU but are not monitored in same way as the priority programmes and are evaluated separately.

Public Participation and Information System was launched by DU with a view to encouraging feedback from the people spread throughout the archipelago using cell phones through SMS or through internet on the website created for the purpose. They could send comments on topics as varied as neglected infrastructure, truant officials, cases of extortion and their problems. This is a powerful tool and provides much needed connectivity to residents of far flung areas with the government and air their grievances and also provide valuable input on progress or projects.

DU's mandate is limited, but provides useful assistance to President and Ministers. Discussion is held for priority setting, though the number of goals may be high. They coach the directors on how to prepare effective action plans and keep the President regularly informed.

The DU's work has attracted the interest and attention among local governments and even private industry, who all want to learn from it. In view of impending elections in 2014, the Government of Indonesia has been educating people about the efficacy of the system with a view to encouraging its continuance in the event of a government with a different complexion coming to power.

4. Comparison with India

The transition from colonial rule to independence took very different routes in the two countries. Both gained independence in the late 1940s, but whereas India has had parliamentary democracy all along, Indonesia has moved in that direction only by the turn of the century. Some halting steps were taken towards democratisation by the Government after Suharto, such as separation of Executive, Parliament and Judiciary, independence of central bank, freeing the police from military and revoking reservation of seats in parliament for the military.

India has had a well-established, non-partisan bureaucracy, which continues to be its 'steel frame' and a source of stability during politically volatile interludes. It has, through its well established administrative system and espirit de corps, provided much-needed support to the government machinery being a repository of information of various kinds. Indonesia, because of the trajectory it took, has not been able to build such a support framework the absence of which appears to have also hampered inter-ministerial and inter-agency exchange of information for smooth functioning of the government. India has federal structure with fair amount of independence for the states built in the Constitution. In case of Indonesia, dependence of states on the Centre was much greater.

India has been experimenting with various approaches to get maximum value for the money the exchequer spends on plans and programmes. In 2009 both the countries started performance monitoring and evaluation in their respective current formats.

4.1 Similarities

a. Both countries have a performance contract for all Ministries. However, in India these PCs in form of RFD are signed between the Secretary and the Minister, while in Indonesia these are signed by the concerned Minister with the President. In both cases, the purpose is to translate vision into reality.

b. While one Ministry is in charge of a programme, other Ministries whose support in providing complementary inputs are identified.

c. Action plans may be activities or processes, like preparation of reports, tender document etc.

d. One central agency is associated with drawing up PC : i.e. PMD in India and UKP4 in Indonesia. However rating is done by PMD itself in India and Ministry of State Apparatus and Bureaucratic Reforms in Indonesia.

e. Ministries in both countries prepare Annual Reports covering all programmes.

f. In Indonesia, minimum service levels are set by local governments, as is the case in many states in India, where Service Delivery Acts are in place.

g. Some provinces in Indonesia have opted for system followed by the DU, for which UKP4 allows access to their online system. In India too many states have opted for RFD system under the guidance and support of PMD.

h. RCs are monitored by concerned Ministries, which in turn are monitored by the central agency monitoring all Ministries.

i. Both countries are using technology to enhance networking and participation, though systems differ and degree varies.

j. Both countries have coalition governments, necessitating adjustments, which could spill over to performance issues.

4.2 Dissimilarities

a. Indonesia has adopted the system of identifying programmes of national importance and identifying the lead ministry. India does not follow such a practice.

b. Quarterly reviews are done for programmes and action plans in Indonesia, but India conducts one mid-term review apart from year-end evaluation.

c. Unlike India, Indonesia does not have a Citizens' Charter.

d. Indonesia has a useful device in the form of de-bottlenecking task force for their project. No such standing mechanism has been introduced in India.

e. LAPOR is another powerful initiative in Indonesia to get feedback from the public. India has no parallel system but has grievance redressal system for all ministries, with facility for online receipt of complaints.

f. Administration capacity is considerably more robust in India than in Indonesia, which has started with a more selective approach, focusing on national priorities, given the DU's capacity constraints.

5. Lessons for India

5.1 First and foremost, the Indonesian approach of identifying projects and programmes of national importance and taking concrete steps for their expeditious completion is worth examining for adaptation with such changes as our circumstances may necessitate. This is true of long gestation projects as well as comparatively medium and short term works; of social sector schemes and plans, be that in education, health, family welfare , water or energy. The key would be tying up necessary resources and fix realistic targets for identified projects and programmes and monitor them regularly.

Though RFD initiative is now in place, it operates Ministry-wise and leaves each Ministry to its own devices. Allowing for now not uncommon situation of coalition governments and need for adequate freedom to the Ministries and departments, naming and pushing programmes of national importance could be a part of minimum common programme of coalition partners.

5.2 Another noteworthy aspect India could take lessons from is the debottlenecking approach. This is based on effective inter Ministerial coordination at multiple levels. There are myriad of projects mired in all kinds of imbroglios and could be rescued and in future prevented from getting derailed for long periods. Section 5 of RFD is intended to alert the concerned Ministry to the need of keeping other Ministries and agencies in foresight and take advance action, but a standing mechanism, with suitable mandate could be of great value.

5.3 LAPOR reporting system is another useful innovation. It facilitates getting feedback from public, especially from remote locations about the status of ongoing works, problems being faced by the people and also for lodging complaints of wrong-doings of officials. With requisite responsiveness and judgment, people would be encouraged to use the facility and provide a channel of information to the government agencies. Such direct interface with stakeholders would give a boost to the Citizens' Charter and make it more responsive.

5.4 Use of tracker could be refined and online reporting system put in place especially for programmes of national importance and other flagship programmes which may be of importance to the Ministry in-charge. Obviously, this has to be done on a selective basis. Ministries could use the system for their internal monitoring purposes.

5.5 GPS is already being used in some states to get feedback along with coordinates to authenticate the location and project in question. In several programmes, which though implemented through states, a simultaneous input could be obtained by the controlling Ministry.

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KENYA



Kenya at a Glance

Capital	Nairobi
Government	Presidential Republic
Population	44.35 million (2013)
Area	581,309 km^2 (49th in the world)
GDP	$44.10 billion (2013)



KENYA

Performance Contracts

S. P. Jakhanwal*

1. Country Profile

The Republic of Kenya is a Commonwealth country on the eastern coast of Africa with a population of about 41 million. Kenya has a unitary form of government headed by the Presidency, a bi-cameral legislature and multi-party system. Under the New Constitution (2010) local bodies have been abolished and the territory of Kenya is divided into 47 counties.

2. Evolution of Performance Management System

Performance Contract System (PCS) in Public Service was introduced in Kenya in 2004 as part of Economic Recovery Strategy for Wealth and Employment Creation: 2003-07. The system got a fillip from the new government under the widely-held perception of bureaucratic delays, inefficiency, the emphasis was on processes rather than on results, lack of transparency and accountability, inadequate trust and instances of huge surrender of funds. In a global perspective, the Kenyan experiment was preceded by i) the Nora Report on reform of state-owned enterprises in France ii) the adoption of Performance Contract in New Zealand iii) the Government Performance and Results Act (GPRA) of 1993 in the USA iv) agencification in the UK under Margaret Thatcher. The Kenyan experience, thus, becomes relevant for most of the countries, including India, where New Public Management (NPM) is underway.

In Kenya, PCS was aimed at being a Government Performance Management Tool with the proclaimed objectives to:

a. Foster efficient exploitation and use of public resources;

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b. Ensure highest possible quality of service delivery to the public;

c. Harness the HR component and nurture operational efficiency & effectiveness.

Kenya is unique in having covered the entire public sector, right from 2004: about 40 ministries, 130 public enterprises, 175 local authorities covering about 0.7 million staff. Another unique feature of Kenya's PCS is the annual survey on customer satisfaction. The survey addresses issues of customer satisfaction, work environment and employee satisfaction. The institutions carrying out the survey ensure that data is disaggregated by the following demographic and other variables:

a. Disability

b. Age category - below 35, 35-59, 60+

c. Gender

d. Minorities and marginalised groups and communities

During the last ten years of PCS in Kenya, the model has been refined both conceptually and operationally as reflected in detailed Guidelines on PCS.The 10th Cycle (edition) Guidelines (2013-14) is a document of about 100 pages with separate annexes. Directorate of Performance Contracting, Department of Devolution and Planning deserves appreciation for its endeavour for refining and customising the Guidelines over time in response to changing environment.

3. Structure of Performance Management System

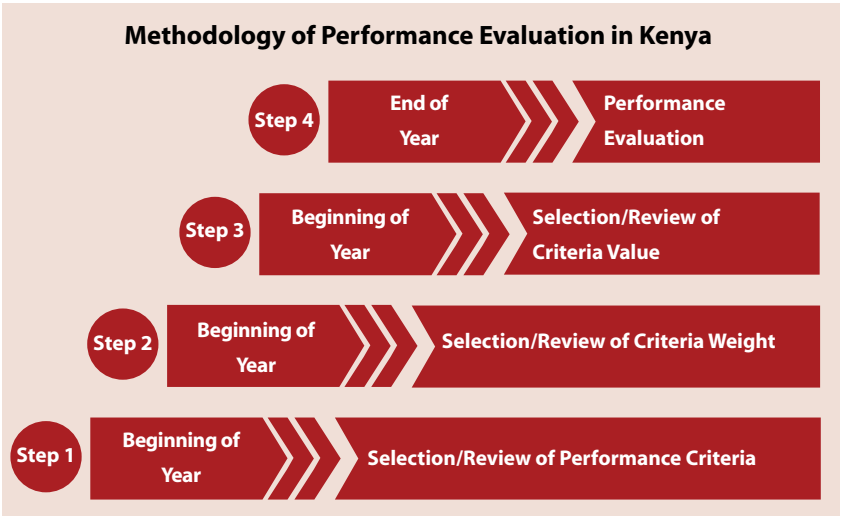
3.1 Defining Features

a. Performance Contracting Division is the nodal office for overseeing the working of PCS. Initially, it was nested in the President's office. In 2008 it became a part of the Department of Planning and Devolution under the Prime Minister.

b. Political commitment at highest levels is a strong point in Kenyan model, reflected in establishing the PC Division first in the President's office and placing the results and ranking of Ministries in public domain within three years (2006).

c. Independence, objectivity and neutrality of evaluators is another distinguishing feature of Kenyan PCs. PCs are whetted and evaluated by a non-governmental body consisting of ex-senior civil servants, academicians ex-CEOs and private sector experts.

d. Methodology used in Kenya for performance evaluation involves four steps:



e. A remarkable feature of Kenyan PCS is that it was an indigenous effort wherein the system was developed, implemented and refined with its own internal expertise. For its excellent endeavour in the field of GPMS, Kenya received numerous international accolades & recognition such as:

- All Africa Public Sector Innovation Awards 2010
- UN Public Service Award in 1st category of transparency, accountability and responsiveness in public service
- Top 20 service delivery innovations: Ash Institute at Harvard University, 2007

f. Kenya seems to accord high priority in (quarterly) monitoring and end-of-the-year evaluation of performance of public institutions. There is a system of 'moderating' evaluation results and ranking of departments by the Director of Performance Contracting. Presumably, moderation includes factors beyond the control of Permanent Secretaries or force majeure.

g. Composite scores of MDAs in Kenya range from 01 to 05; the poorest ranking can be 5.0 and the best 1.0. (In India, scores can vary from 1% to 100%). Range of criteria values is different in Kenya and India as explained below:

Grade	Kenya	India
Excellent	Above 130%	90-100%
Very Good	100- 130%	80-90%
Good	70-100%	70-80%
Fair	50- 70%	60-70%
Poor	0-50%	60% & below

Because of higher scores required/prescribed for 'excellent' category, very few MDAs get 'excellent' ranking in evaluation at the end of the year. This can be illustrated by evaluation results of 2007. In that year no department got 'excellent' rank and one department got 'fair and 'poor' ranks each.

h. In Kenya, results of Performance Evaluation (including ranking) are announced by political executive. System has survived even under coalition governments.

In Kenya, three of the highest performing public institutions receive financial incentive in the form of 13th month pay; the topper amongst them getting a full month's pay; winner of the second and third position getting 75% and 50% respectively.

i. Success indicators are grouped in six management domains. Delivery of quality service and level of satisfaction as per customers satisfaction survey results are grouped in one management domain in Kenya with as high a weight as 20-30% (actual weight in this range depending on the category of public institution).

j. In Kenya, PCs are currently implemented in four categories of institutions i.e. departments, state corporations, public universities and tertiary institutions.

Indicators are grouped in six management domains, as under:

Management Perspective	Weight for Ministries/ Departments	Weight for Tertiary Institutions	Weight for State Corporation-Non Commercial	Weight for State Corporation-Public University	Weight for State Corporation-Commercial
Finance and Stewardship	10	10	10	10	45
Service Delivery (as per client survey)	30	30	30	20	-
Non-financial	20	20	20	20	15
Operations	30	30	30	40	30
Dynamic/ Qualitative	05	05	05	05	05
Corruption Eradication	05	05	05	05	05
Total	100	100	100	100	100

For each category of public institution, percentage of weights under different management domains is pre-set and cannot be changed by MDAs. The objectives, Targets and Indicators in Kenya are to be aligned by MDAs with :

- Medium Term Plan II
- Sector Performance Standards

Public Institutions are expected to select indicators, as far as is practicable, from the 'Medium Term Plan II (MTP II)' and 'Sector Performance Standards (SPS)'

The following schemes are to be specifically dealt with by MDAs in PCs:

- Vision 2030 Projects
- Flagship Schemes

k. Kenya has accorded the following as very high priority issues:

- Involvement and welfare of youth
- AIDS control
- Gender equity
- Global competitiveness
- Minorities and other marginalised groups

l. Cabinet Secretary (CS) is the fulcrum of PCS in Kenya. PC between government and a Ministry/Department is signed by CS on behalf of government and permanent secretary (concerned). In case of tertiary institutions, CS countersigns in most of the cases. It is presumed that the approval of the political executive is obtained by concerned permanent secretaries before signing the PC.

PCS, as RFD in India, has become a tool of implementing major reforms in public services. For Example : In Kenya , each public institution under the ambit of PCS has to allot mandatorily weight of 5 out of 100 for each of the two : (a) eradication of corruption and (b) dynamic/qualitative indicators.

3.2 Summary of Kenyan experience

a. Does not require huge amounts of funds; rather political will is needed

b. Absence of outsider consultants (mostly home-grown)

c. Organisational Location of PC Division at strategic places: President Secretariat

d. IT Support

e. Demand driven training conducted

f. For immediate effect: Service Delivery Charters

g. Cascading of PCs

h. Strategic Plan as a precondition of PCs

i. Objectivity in evaluation gave credence

j. National priorities duly reflected by aligning with STP II, Vision 2030, and Flagship Schemes

k. Huge importance accorded to aspects of quality service delivery and feedback obtained from customer surveys

l. Strategic Plans are the cornerstones of the PCs in Kenya. Performance Contract organises and defines tasks so that the management is able to perform them systematically, purposefully & with reasonable probability of achievement.

m. The PC embodies the Citizen Service Charter under the 'Service Delivery' perspective; 'Service Delivery' perspective bears the heaviest weight.

n. Evaluation of performance is carried out by external experts who are not public servants; this is for the purpose of imparting integrity and objectivity to the system & engendering public confidence.

o. Evaluation of performance is carried out on an automated platform. The system is wholly web-based and is administered by external experts from private sector, professional associations and the academia. Thus, government therefore does not evaluate its own performance.

p. National Customer Satisfaction Baseline Survey was completed October 2010; sample size : 2347 customers both at the point of service delivery and away from the point of service delivery.1063 service providers (public servants). overall customer satisfaction index was 63.5%. This is comparable to those of New Zealand (68% in 2007) and Canada (67% in 2005) which used the Common Measurement Tool (CMT).

RFD in India	PC in Kenya
Section	**Part**
1. Vision, Mission, Objectives, Functions	1. Vision, Mission, Strategic Objectives
2. Inter se priorities among key objectives, SIs and Target Values	2. Obligations and Commitments of Perm. Secretary
3. Trend Values of Success Indicators	3. Commitments and Obligations of Government
4. Definitions and measurement methodology	4. Reporting Requirements
5. Specific Performance Requirements from other departments	5. Duration of PC (Incidentally year is from 01 July to 30 June)
6. Outcome/Impact of Department.	6. Authentication by parties

4. Comparison with India: PC vs RFD

4.1 Similarities

a. In principle and philosophy two systems are similar even though there are differences in details. For instance, there is an apparent similarity between PCs in Kenya and RFDs in India as both of them have six parts /sections. However, while part 1 is more or less the same, section 2 is different: trend values having been incorporated in part II itself in Kenya. There is no section in PCs on outcomes and their success indicators. One may argue that if the success indicators in PCs are aligned with 'outcome targets' fixed in STP II or in relevant sector benchmarks, actual achievements against these targets would reflect the extent to which expected outcomes have been reached. For example 'Reduction in freshly detected AIDS cases- Decline of 5%' - may be an STP II target. This will also be a Success Indicator for Outcome/Impact.

b. Both countries have covered only executive wing of the state under the system; left out judiciary and legislative branches ;

c. In both countries Performance Management Division (PMD) is nested in co-ordinating Ministries (Cabinet Secretariat or Department of Public Enterprises);

d. Both systems attempt to ensure alignment of PC/RFD with national priorities; five-year plans and annual budgets. Kenya seems to insist for compliance with national priorities before negotiations commence at ATF level.

4.2 Dissimilarities

a. The Kenyan system covers all Ministries and Departments; the Indian system exempts four-five Ministries/Departments.

b. In Kenya there is a cascading down of PCs with the help of a common template for ministries, state enterprises, public universities and tertiary organisations; in India there are two separate templates: one for ministries and the other for CPSEs, and there is no 'cascading down' to lower levels of public administration, although some states have adopted the RFD methodology.

c. Evaluation results and performance ranking are announced publicly in Kenya; in India departments incorporate information on performance evaluation in their Annual Reports. Ranking is not published in India.

d. Kenyan system is more tightly structured with success indicators grouped in six management domains; In India ATF has larger discretion with 85% weight on SIs relevant to the department; remaining 15% reserved for mandatory indicators common to all departments. It might be worthwhile to pick up the Kenyan idea of the six management domains, which –- somewhat similar to 'segregated business lines'-- are of critical importance for benchmarking across departmental boundaries.





e. Top three performing public institutions are entitled to 13th month pay or part thereof; In India, financial incentive formula is in the process of evolution;

   Inputs from Kenya's customers' satisfaction survey receive a high weight, in evaluation of performance; in India impact evaluation is, at times, is made a success indicator but the level of satisfaction of citizens/ customers does not affect composite RFD score directly; Customer satisfaction surveys have not been attempted and whether such surveys, should be annual or once in 3/5 years , should be debated.

f. Cabinet Secretary in Kenya either signs or countersigns performance contracts; in India agreement is between minister (political executive and Secretary (executive head of bureaucracy in a department)

5. Lessons for India

Kenya's experience in implementing PC in Local Authorities (now 47 counties) may be of great relevance to India where the next expansion of RFD system may embrace urban local bodies. Bigger ULBs-municipal corporations and Development Authorities - are around 200 in India. In addition, the role of client surveys for performance evaluation and publication of departmental performance ranking may be noted in particular while attempting to further improve upon the Indian System. With the promulgation of new constitution in Kenya the system is getting 'devolved' to 47 counties.

5.1 Stronger Linkage between :

- processes of planning, budgeting and target setting;
- performance of the individual and performance of institutions; this simplifies and creates objective and undisputable criteria for dispensing rewards and sanctions.

5.2 Effective harmonisation between Citizens' Service Charters and feedback from Customer Satisfaction Surveys.

5.3 Inter-institutional Dependencies

The Indian GPM should design a system, preferably at the level of negotiation, to cater for collaborations expected from different institutions to drive success in other institutions and avoidance of duplications or even actions that frustrate programme implementation by other public institutions.

5.4 Cascading National Priorities

Clear guidance and suitable mechanism need to be put in place on the system of cascading national vision to various downstream public agencies for implementation. This would involve how performance targets drop systematically from the national vision to institutional, departmental, sectional and individual levels and possibilities of performance contracts between funding and executing agencies.

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Malaysia



Malaysia at a Glance

Capital	Kuala Lumpur
Government	Federal Parliamentary Constitutional Monarchy
Population	29.72 million (2013)
Area	329,847 km^2 (67th in the world)
GDP	$312.4 billion (2013)



Malaysia

Integrated Results Based Management

Yogendra Narain*

1. Country Profile

Malaysia is a Parliamentary Democracy based on the British constitutional monarchy. It comprises of 13 States with one Federal territory consisting of Kuala Lumpur, Labuan and Putrajaya. It has a bicameral Federal Legislature while the states have unicameral State legislatures. The states are headed by hereditary Rulers or where there are no such hereditary Rulers then by Governors appointed by the King. The King himself is elected for a five-year term from amongst the nine Sultans of the peninsular Malaysian states.

2. Evolution of Performance Management System

Performance Management in Malaysia evolved as a part of the evolving budgetary systems and the desire of the administration to give visibility to the attainment of budgetary objectives. The budgetary objectives themselves were linked to the goals of the long term and medium term plans of the country which were spelt out in the first, second and the third Outline Perspective Plans (OPP) incorporating the National Mission and the National Transformation Policy (2011-2020) within the overarching goal of Vision 2020.

Malaysia had a policy-driven development right from the beginning and the desire to monitor performance arose from the keenness of the government to attain those policy objectives. Post independence period (1957-70) saw a policy of laissez fair to ensure export-oriented growth together with an emphasis on economic and rural development. In these early years, priority was given to programming of inputs, and the rate of credit consumption was used as a performance indicator. It was a line item budgeting with focus

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on expenditure. However Result-based Management (RBM) was introduced with limited focus on activity completion through the introduction of the Programme Performance Budgeting System (PPBS) in 1969. The concept of Key Performance Indicators (KPIs) also emerged. These systems though focused on results, came short on the detailed processes in terms of implementation.

In the next two decades, that is from 1971 to 1990, a New Economic Policy was adopted which emphasised growth with equity to correct imbalances in the community. In this period the focus of budgeting decisions moved away from objects of expenditure to the programs and activities of government. The agencies were asked to clearly identify their missions and objectives of their programmes and projects. The PPBS was fine-tuned. The Logical Framework Approach was introduced in an effort to better track the process and establish linkages.

Malaysia also has the practice of fixing National Priorities in its medium-term framework. This was further enhanced under the 10th Malaysian Plan (2011-2105) where there was greater focus on National Outcomes with specific KPIs to be met. These priorities are included in the macro-economic planning document and are cascaded down to the ministry, programme and activity areas to be included as part of the outcomes and KPIs an important part of the performance agreements. In Malaysia medium-term plans are approved for five years but their appropriations follow a two-year rolling budget dimension; however approval from parliament is sought yearly. The Outline Perspective Plans are usually for ten years.

The next phase of development planning and budgeting (1990-2010) was governed by the broader National Vision Policy (1990-2020) which emphasised on making Malaysia a resilient and competitive nation by the year 2020. To support this initiative the existing PPBS was modified to a more contemporary annual planning and budgeting system focusing delegating authority to lower levels and holding them accountable for performance through a performance agreement. This led to the development of Modified Budgeting system (MBS). This system closed the gap between budget performance and policy implementation. The emphasis was on empowerment of personnel and their accountability. There was decentralisation and delegation of authority and the system of management was designed to focus attention on the relationship between inputs, output and to a limited extend impact. The MBS emphasised that managers nearest to where outputs are produced be given the maximum authority to manage their resources.

MBS introduced in the late 1990s, assigned accountability through the Integrated Performance Framework (IPF) known as the Programme Agreement. It laid focus on structured and systematic performance

measurement and the linkages established with policy making, resources management, programme performance improvement, and other critical success factors in performance management. By way of the programme agreement clear linkages were established between policy initiatives, planning and resource allocation. MBS helped define performance management in the Malaysian public sector by way of more focused accountability by delegating authority down to operational levels. The concept of delegating authority had to go hand in hand with a strong integrity framework to minimise misuse of resources. The notion of 'letting manager's manage' and 'accountability with authority' was the new punch line.

During the period 1990-1997, Malaysia's growth was on target as envisaged in the Vision Plan. Being an open economy and a trading nation, Malaysia was affected by the Asian Financial Crisis in 1997 first and subsequently by various other international crises. These challenges moderated growth and it raised concerns that the objectives of the Vision Plan may not be met. In 2010, it was decided that public sector programs had to be better targeted and focused to ensure value for money. The Prime Minister in a policy speech during the presentation of the 2011 Budget decided that public sector programs should focus more on achieving programme outcomes in a more integrated manner paving the way for the Integrated Result Based Management model in 2012.

3. Structure of Performance Management System

3.1 Overview

The Integrated Result Based Management (IRBM) model focuses planning and resource allocation on achieving outcomes. Termed as Outcome-Based Budgeting (OBB) it has an integrated view of planning, budgeting and linking organisational performance to personnel performance through a rigorous Monitoring Framework and Results Oriented Management Information System. There is a strategic use of the programme and activities approach within a longer-term macro-planning framework. Through the use of an enhanced Integrated Performance Management Framework (IPMF), OBB induces timely flow of information that can be strategically used by various levels of management for decision making.

The IRBM System is made up of three primary components and two complementary components, namely

Primary Components are

a. Results Based Planning

b. Result Based Budgeting System

c. Result Based Personnel Performance System

Complementary Components are

a. Result Based Monitoring and Evaluation Framework

b. Result Based Management Information System

Being an integrated approach, IRBM required multi-agency involvement in its implementation. Since it involved development planning (both medium-term and annual), budgeting and personnel, the various components of the IRBM system required role players that had significant influence in those dimensions are as follows:

a. The Medium-term framework of Integrated Development Planning component was led by the Economic Planning Unit (EPU) of the Prime Minister's Department;

b. The annual plans and the Integrated Result Based Budgeting (IRBB) component, Monitoring and Evaluation component and the Management Information and Decision-Support System Component will be driven by the Ministry of Finance;

c. The Integrated Result Based Personnel Performance System will be driven by the Public Services Department (PSD).

The entire IRBM initiative is coordinated through a national steering committee chaired by the Secretary General of the Ministry of Finance and the members include the Director General of the EPU, the deputy DG of the PSD, the Budget Director, the Secretary of the Macro-Fiscal Division and attendees from various other support entities. The Programme Agreement (Performance Contract) is an annual contract between the Controlling Officer of the Ministries and the Budget Director. Ministries are required to submit annual reports based on the detailed performance plan and if the performance of the agency is beyond the acceptable variance range specified in the Programme agreement, the Ministry has to prepare an exception report to explain the variance.

All the 24 Ministries of the Government are covered for preparation of programme agreements. Internally within each Ministry, similar agreements are signed between the programme heads and the controlling officer, while the activity head will sign with programme heads. This will ensure that accountability cascades all the way down to operational levels where output is generated. This is one of the main strengths of MBS and followed through in OBB. In cascading down accountabilities the 24 Ministries collectively have 200 programs and about 800 activities.

To facilitate information collection and reporting at all levels of implementation on a timely manner a dedicated system known as My Results has been developed and deployed.

All Public Enterprises that obtain funding from Government are required to prepare and submit a Programme Agreement. Government companies that also obtain funding will embed their proposal in the respective Ministry's Programme Agreement.

3.2 Stages in the Formulation of a Programme Agreement

The preparation of a Programme/Performance Agreement entails the following steps.

a. The MoF (Budget Office) will issue a call circular requesting all entities to prepare their annual budget against their annual plans as required in the programme agreement. The circular covers the submission of both the requirements of capital and operating programs.

b. The various Ministries send their proposals for programs and projects for the next two years (two year rolling plan) against the approved five year plan. The request for operating programs is submitted to the MoF, while the request for capital projects is submitted to the EPU.

c. The EPU evaluates the viability, its contribution to national, sector and Ministry priories against the overall resource ceiling provided by the MoF for capital projects.

d. The EPU then allocates the resources amongst the various sectors by looking at future needs and past performances of the sectors. The plan allocations for development expenditure and associated programs/ projects once approved become sacrosanct and are assured of full funding unless otherwise decided.

e. For operating budget expenditure targets are provided for recurrent budgets of each Ministry at the onset of the budget preparation process. This acts as a guide for drafting the programme agreements at each level.

f. Budget proposals are prepared in each Ministry and based on a chart of accounts that has been used since independence. Each Ministry also finalises medium and short-term strategic plans with clear KPIs and targets for the given financial year.

g. Ministries put their budget proposals together with programme agreement keeping in view past performance, current requirements and new policy initiatives. All of which must contribute to the National Priorities. All the existing programs that have been approved by the Treasury and the Cabinet are also included.

h. The Programme Agreements are reviewed both by the budget officers of the Ministry of Finance as well as experts from the EPU. They examine if the proposals are consistent with the Plan as well as the emerging National Priorities.

i. The Programme Agreements along with the budget proposals are reviewed the Budget Office and submitted to the Cabinet for acceptance. Cross-sectoral consistencies amongst the policies of the ministries are reviewed by the Budget Office.

j. The Budget Proposal is presented to Parliament as part of the Budgetary Papers for approval and information

k. Once the Budget is approved, final copies are signed and put up to Ministry of Finance for follow up and monitoring.

3.3 Integrated Programme Evaluation

Under the IBRM system, every Ministry is required to carry out Formative Evaluation of its programme on an annual basis. Summative Evaluations are planned to be undertaken once in five years. Malaysia has opted for a combination of both Internalised Evaluation as well as Externally-run Evaluations. Internalised Evaluations are advocated as they regard evaluation as a continuous development process and not just a report card process. With the agency having complete ownership over the evaluation process, it facilitates understanding between different agencies contributing to development. There are no mid-term reviews and the annual evaluations will be used to carry out any adjustments to the prevailing programme strategies.

Malaysia has also adopted a scoring system based on an aggregation of Outcomes and KPIs. The KPIs of each identified outcome are given weightages which will provide a composite score for each outcomes. Based on the same principle a composite score will also be determined for each ministry.

Currently, Malaysia is focusing on improving data quality as good data quality will be a pre-requisite for effective monitoring, performance reporting and decision making. Frequent changes to the performance data and the metrics will result is loss of time series data, critical for analyzing trends.

The Government in Malaysia does not publish the composite scores for public consumption just yet as it wants to deal with data quality before making it public. However the output results are presented to Parliament which can then be assessed by the public. The Performance Budget along with output indicators are currently all published as a single document. The move towards publishing outcome data will be made possible by budget year 2016 at the start of the 11th Malaysia Plan.

3.4 Incentives

Only 5% of the top-performing staff is given monetary rewards and recognition through certification, each based on performance. Three top performing senior management officers are given citations and the opportunity to attend an Ivy League executive training programme.

4. Comparison with India

4.1 Dissimilarities

a. In Malaysia the Performance Agreement is signed by the Secretary General of the Ministry and the Head of the Budget Division. In case of India, it is signed by the Minister and the Secretary of the Department.

b. In Malaysia there are specific National Priorities determined by the EPU in consultation with other key ministries in the Prime Ministers office which are included in the performance contract. There is no such explicit reference to National Priorities in the RFDs prepared by ministries in India

c. In Malaysia the Performance contracts evolved on the initiative of the Budgetary Division which wanted to restrain wasteful and excess expenditure thus giving value for money. In India it arose as a result of Administrative Reforms to improve output performance and make the administration accountable for results.

d. In Malaysia none of the states has adopted the system of Performance Contracts as they have limited resources. In India, 17 States have adopted the RFD process of accountability. However, in Malaysia it is a federalist process where most of the development programme in key areas such as Education, Health, Security, Rural Development, Investment and Industrial Development and Agriculture etc are all funded by the Federal Government.

e. In Malaysia there is internal evaluation of the Performance Contract by each Ministry. In India we have opted for external evaluation

f. In India we have Memorandum of Understanding with each public sector unit with an inbuilt system of incentives. This is not so in Malaysia

g. Only the consolidated budgets are submitted to the Cabinet.

h. In Malaysia cash incentives and citations are given for good performance individually and not at the institutional level. Not so in India as yet

5. Lessons for India

5.1 The linkage with performance of the personnel in the Performance Agreements in Malaysia should be adopted in India. This will make individual officers also accountable.

5.2 The RFDs in India should also be sent to the Cabinet for information. The end of the year results of each Ministry should be discussed in the Cabinet. Good performers should be given citations at a public function or on the Civil Services Day.

5.3 National Priorities should be fixed by the Prime Minister's office in consultation with the Planning Commission for each Ministry and included in the RFDs of each Ministry.

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* Information for the paper was sourced primarily from the Resource Centre at 'The Centre for Development and Research in Evaluation (CeDRE)', Malaysia. Those interested can log on to '*www.cedre.org.my*'

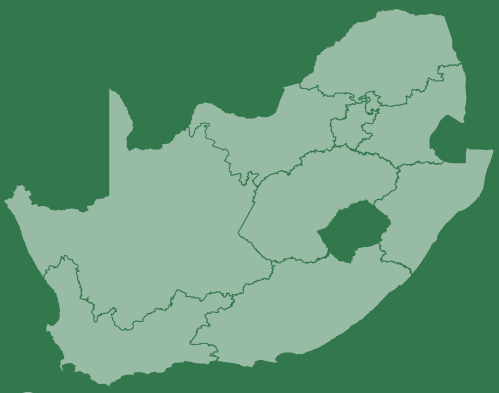


South Africa



South Africa at a glance

Capital	Pretoria (executive), Bloemfontein (judicial) Cape Town (legislative)
Government	Constitutional Parliamentary Republic
Population	52.98 million (2013)
Area	Total - 1,221,037 km^2 (25th in the world)
GDP	$350.6 billion (2013)



South Africa

Performance Management System

Shyamal Ghosh*

1. Country Profile

South Africa has a population of nearly 53 million people with per capita GDP of about US$ 5800 (2011-12). The 1996 Constitution broadly represents a presidential federal form of government, which is also decentralised with three 'spheres' of government: 47 national departments, nine provinces and 278 local governments. The national level is primarily responsible for policy but in some sectors has full competency; the provincial level is, inter-alia, responsible for implementing education, health, agriculture, social development, housing and provincial roads. The main income comes from equitable transfers from central government; local government is responsible for local water, sanitation, municipal roads and electricity. The large metropolitan authorities also cover elements of health and housing services. Revenue generation is from local sources and Central Government.

2. Evolution of Federal Performance Management Approach

The ultimate goal of Public Management is to improve Government Performance. It has been said that Government Performance Management (GPM) would involve management systems ('infrastructure of public administration'); integration through consistent objectives, mutually supporting and well coordinated; and managing for results. Management systems are essentially policy levers for performance improvement through a change of behaviour and New Public Management Systems, which emphasise beyond compliance achievement of results.

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Progressively there is an increasing universal emphasis on Performance or Result Based Management (PBM or RBM) in GPM enhancing the emphasis given to outputs and outcomes. This has brought about more focused articulation of policy goals. Systems have moved away from a traditional understanding of governance as 'state craft', towards a private-sector model of governance which views governance as essentially managing the effective provision of services and service delivery systems in a 'contestable market place' resulting in more focus on outcomes. Consequently improving accountability for performance constitutes an important agenda for revitalising and modernising public services.

The new democratic order from 1994 created pressure on the newly-elected government to perform. The 1994 Bill of Rights confers on citizens 'socio-economic rights to health care, housing, education, water and other basic necessities'. The complex decentralised system required intricate coordination both across and within sectors. The constitution also provides for a responsive public service, accountable use of public resources by the executive, effective oversight by Parliament and public participation in policy and implementation processes. Accordingly, the government initiated programmes for public sector reforms, including the reforms of the civil service.

From 1994 to 2005, however, Monitoring and Evaluation (M&E) was generally conducted in an isolated manner largely driven from departments. Thus while budget reforms initially concentrated on financial dimensions of public expenditure management, there was increasing emphasis on service delivery and collection of non-financial information for ensuring greater 'value for money', leading to Government-Wide M&E (GWME). Accordingly in 2005, the government approved the development of such an M&E system. The implementation plan was in phases with prescribed time-bound milestones. The leadership was to be provided by the Department of Public Services and Administration. Initially, the GWME did not pick up momentum and several deadlines were missed. After a year it appears that the President's office intervened and by 2007, substantial progress was made and an overarching policy framework was developed by the President's office followed by an annual work plan named 'From Policy Vision to Implementation Reality' in 2008.

The President's office has played a major role in developing the M&E system. Prior to 2009, a small unit within the policy wing of the President's office focused on M&E. In April 2009, a new Ministry of Performance Monitoring and Evaluation was established and located in the President's office supported by the Department of Performance Monitoring and Evaluation (DPME). Of course, this leadership role of the President's office in GWME system is supported by the National Treasury and Statistics South Africa along with other agencies to ensure sustainability.

3. Structure of Performance Management System

3.1 Overview

The process and system for monitoring government in South Africa reflects a combination of decentralised activities and actions, directed at consolidation of information at specific central points, such as the office of the Premier at the provincial level and the DPME at the national level. The process is a multiple system consisting of monitoring against Departmental AAPs, Management Performance monitoring, frontline services monitoring and outcome monitoring. The outcome approach has brought about political accountability, leading to administrative accountability with Departmental strategic plans reflecting their commitment in the delivery agreements. These commitments are also reflected in the performance agreements of officials.

The entire system of Performance Management in South Africa also indicates the amount of effort that has gone in developing a comprehensive but complex M&E mechanism. However by choosing to focus on 12 (being increased to 14) National Priority areas it hopes to fulfill the promises made to the common citizen for improving their quality of life The initiatives taken by the office of the President has brought focus and driven home the message that the National Mission is participative and has to be achieved. However, over monitoring sometimes leads to losing of initiative and enthusiasm. The motivation factor is important in effective service delivery.

3.2 Tools of Performance Management

DPME, which focuses on the national priority areas, is the custodian of the M&E function with focus on priority areas:

a. National Treasury regulates departmental five-year and annual plans through budgeting and expenditure monitoring, receiving quarterly reports and conducting expenditure reviews

b. Auditor-General (constitutional body) undertakes independent compliance monitoring, auditing of performance information and reporting to Parliament;

c. Public Service Commission (constitutional body) conducts independent M&E of public services with focus on public principles incorporated in the Constitution and reporting to Parliament

d. Department of Cooperative Government and Traditional Affairs regulates local government planning, monitoring their performance, having intervention powers over them

e. Department of Public Service and Administration (DPSA) monitors National and Provincial public service and to regulate service delivery improvement

f. Presidency with executive powers having National Planning Commission for framing long-term plans (20 years) and DPME; line departments at National and Provincial levels do concerned sector monitoring.

g. National Departments serve as a conduit for conditional grants and monitoring.

From the above analysis, it would also be clear that M&E is indirectly associated with the planning process. While there are long-term plans, medium-term strategy plans, five-year departmental strategic plans and departmental annual performance plans, there does not appear to be a common thread which perhaps the recently developed outcome approach will institutionalise across the government system.

The DPME has introduced various tools and systems to monitor and evaluate progress towards achieving certain priority outcomes. These include Performance and Delivery Agreements, the National Evaluation System (NES), the Management Performance Assessment Tool (MPAT) which monitors the state of management practices in National and provincial Departments, and Front Line Service Delivery Monitoring Programme.

After the 2009 elections there was more focus on a change agenda with a limited number of cross-government outcomes based on a Medium Term Strategic Framework (MTSF) which was evolved by government through an intensive process. This framework started with five priority areas of outcomes but eventually covered 12 priority areas. Two more areas are now going to be added.

3.3 Outcome Approach

The outcome approach could be termed as a 'Big-Bang Approach' which essentially has two elements:

a. focus on outcomes rather than outputs; and

b. impact-oriented rather than activity-based.

The outcome approach is considered 'a process for translating the Government's mandate' into a set of accountable measures in the identified priority areas. It was felt that emphasis on outcomes encourages an integrated approach, facilitating performance improvement across government. Thus the focus will be on sectors rather than departments with a framework for an integrated 'whole of government' approach that coordinates the different policy and programme areas that contribute to a given outcome. This is intended to ensure that plans, activities, budgets and implementation strategies are aligned across the three spheres (national, provincial and local) and departments in support of outcomes. The institutional mechanism to consolidate this will be the delivery agreements negotiated by the delivery forum.

The government has identified 12 national priority areas for this. They are:

Basic Education: Improved quality of basic education.

Health: A long and Healthy Life for all South Africans

Safety: All people in South Africa are free and safe

Employment: Decent employment through inclusive growth

Skills: A skilled and capable workforce to support an inclusive economic infrastructure network

Economic Infrastructure: An efficient, competitive and responsive economic infrastructure network

Human Settlements: Sustainable human settlements and improved quality of household life.

Local Government: A responsive, accountable, effective and efficient local Government system.

Rural Development: Vibrant, equitable and sustainable rural communities with food security for all.

Environment: Protect and enhance environmental assets and natural resources.

Internal and External Relations: Create a better South Africa and contribute to a better and safer Africa and world.

Public Service: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship.

Two more areas being added are Social Protection and Social Cohesion.

Process of Outcome-based Performance Management for Priority Areas: The key tools in the process of developing outcome-based performance management are Performance Agreements and Delivery Agreements. For Ministers dealing with outcomes in the priority areas, Performance Agreements deal with outcome-level targets: key issues are expected performance, and flagging any dependencies on other ministers' Performance Agreements. For Ministers playing a lesser role in priority outcomes, Performance Agreements focus on targets in their usual area of work.

Performance Agreements are between the President and the concerned ministers. The former is a management tool for the President to indicate key issues to be focused on and the expected performance and is signed by the Minister concerned. Delivery Agreements describe the role of key

stakeholders contributing to the achievement of an outcome and are in alignment with the strategic plans of the concerned departments. The DPME worked with the concerned departments to develop a 'logic chain' with indicators and targets from activities to sub-outputs, outputs and outcome. Thus the delivery agreements are signed across government (National, Provincial and Municipal) for ensuring full cooperation among the diverse agencies needed to achieve the outcome. Broadly these agreements are either (a) sectoral or (b) cross-sectoral or (c) multi-departmental. Thus while Performance Agreements specified outcome targets, the delivery agreements unpacked these and developed a logic or result chain in terms of indicators and targets to achieve the outcome targets. The system of delivery agreements is a very effective tool being used in the South African model for cross-departmental/cross-sector issues. This ensures commitment of the concerned departments to deliver. Since cross-departmental plans are framed by cross-departmental implementation forums, there will be no 'passing the buck 'syndrome.

National Treasury guidelines for strategic plans provides for reflection of commitments to Delivery Agreements, which are included in the publicised Programme of Action (PoA) of the Government. These are coordinated by cross-departmental implementation forums (including the provinces, wherever applicable).

Performance Agreements are for one year, while Delivery Agreements are for five years. Quarterly monitoring reports in respect of the Performance Agreements are submitted to the Cabinet (signaling system adopted). Mid-term reviews are also undertaken, which identify successes and challenges, and made public. The outcomes approach seeks to encourage 'joint-up government' and emphasises the need to integrate in planning, budgeting and M&E . It also introduces political accountability. This cascades down to the administrative accountability system. Departments have to ensure that their strategic plans reflect their commitments in their Delivery Agreements. These commitments will also be reflected in the Performance Agreements of officials. However, so far, not enough problem-solving of significant issues has taken place.

3.4 Management Performance Assessment

The management performance of departments is assessed through a Management Performance Assessment Tool (MPAT) and is meant to improve leadership efficiency and effectiveness within national and provincial departments and thereby improve performance and service delivery of these departments. It assesses quality of management practices across a range of management areas. The assessment process involves the heads and senior management of departments undertaking a self assessment against 31 management standards in 17 management areas, and then providing evidence to justify their assessment. The self assessments are subjected to

an external peer moderation process where senior public servants with experience in the key performance areas covered by the standards, evaluate the self-assessment against the evidence provided. Depending on the final assessment, financial incentives are given (It is understood that this is limited to 10% of the salary). The overall framework of MPAT covers Strategic Management, Governance and Accountability, Human Resource Management and Financial Management. The key performance areas are assessed on the basis of four levels: the lowest being Level 1 and the highest Level 4. In 2012-13, in Strategic Management 32% of the departments were in Level 4; in Governance 15% were in were in Level 4; in Financial Management 9% were in Level 4; while in HR Management only 6% were in Level 4. It would, therefore, appear that both HR and Financial Management would need close attention. MPAT focuses on management processes related to converting inputs into outputs and not on whether right outputs are being produced to achieve desired outcomes and impact.

3.5 National Evaluation System

In 2011, DPME decided to focus on a National Evaluation System, which was approved in November, 2011. It aims to establish a common perspective on evaluation, introduce an institutional framework for evaluation and promote the use of evaluation results. The departments are required to submit proposals for intervention to evaluate. Selection for evaluation is done by a cross-governmental evaluation technical group based on importance (either by scale or being strategic or innovative). The initial focus is on evaluations recognised as national priorities. Minimum standards and guidelines are being developed and these are being tested as part of the process of implementing the 2012/13 National Evaluation Plan.

DPME has collaborated with a range of organisations, including international organisations, to develop the system. The National Evaluation Framework outlines the different type of evaluations to be conducted. These are:

a. **Diagnostic** evaluation to understand the underlying situation and identify the root cause of the problem;

b. **Design** evaluation to assess whether theory of change is strong;

c. **Implementation** evaluation to assess what is happening and why;

d. **Impact** evaluation to assess whether the intervention had impact at outcome and impact level and the reasons thereof;

e. **Economic** evaluation for cost-benefit analysis; and

f. Evaluation synthesis

To ensure independence and quality of evaluations, external service providers undertake the evaluation and there is also peer review of the evaluations The evaluations have to be made public unless there are security

concerns. All evaluation reports in the National Evaluation System go to the Cabinet and then to Parliament. If there are shortcomings they have to be rectified and the improvement Plan is monitored by the Cabinet.

While it appears that on the whole, the system is working well, some flaws have been identified. Some of the programme plans are poorly-framed and do not lend themselves to meaningful evaluation. Consequently DPME has issued guidelines for ensuring minimum standards for programme plans. Some departments do not plan in advance affecting rollout. There is also a fear of adverse evaluation reports and hence there is reluctance to voluntarily seek evaluation. However, the process is only at an initial stage. The National Evaluation Framework was drafted and approved only in November 2011. Only about 12% of the departments undertook/were planning to undertake evaluations in 2011-12 which only increased to 18% in 2012-13. Hence it is too early to give a comprehensive analysis of the Evaluation Framework.

3.6 Front Line Service Delivery

A framework for monitoring frontline service delivery has been developed relatively recently. The underlying purpose of the framework is to improve service delivery and the distinguishing factor in this is to focus on monitoring of experiences of ordinary citizens when obtaining public services. Thus it provides for a bottom-up approach from the point of view of the citizens.

Even the President and Ministers are visiting institutions such as hospitals, schools, police stations and municipalities to focus on front-line service delivery.

In addition, there are programmes for Community Monitoring Advocacy in educating citizens on their rights and thereby increase their power to demand better service; training citizen journalists to monitor and report on health clinics; user forums for local water services; public hearings on issues identified by Public Service Commission;

DPME and offices of Premiers have collaborated to establish a joint frontline delivery monitoring programme, which is implemented with the help of concerned departments, municipalities and citizens. Broadly, it has the following components:

a. Unannounced visits by political heads and department officials;

b. Develop a structured approach for citizen-based monitoring by interviewing citizens;

c. Focus on evaluating service standards, attitude of staff, cleanliness of facilities.

However this is not based on random sampling and is only broadly indicative. Its implementation will be based on lessons learnt from a pilot project, which will run from 2013 to 2015, with a selected number of service

delivery departments. The pilot sites will cover a diversity of socio-economic and geographic conditions as well as communities with high and low social-cohesion indicators.

Frontline services are taken seriously by the management of different departments and have improved efficiency at the facility level.

3.7 Presidential Hotline

The Presidential Hotline was set up to enable citizens to report unresolved service delivery problems. This provides, inter-alia, an opportunity for grievance redressal. It also provides valuable monitoring data and insights into the concerns of the citizens and is used to improve service delivery.

Improvement in citizen satisfaction is an output in the 'Outcome 12 Delivery Agreement'. Improving the Presidential Hotline case resolution is a priority initiative in the Forum for South African Directors General plan for improving government working.

4. Comparison with India

4.1 Similarities

a. Both systems emphasise the criticality of outcome. However, no financial incentives have been designed except for the final incentives given in South Africa based on individual's appraisals by his superior where the National Evaluation system is still 'work in progress'. In India, while a financial incentive scheme appears to have been formulated, it is still to be operationalised.

b. Both the countries have pre-negotiations before developing the Performance Agreements/Results-Framework Documents.

c. Both the countries have adopted the concept of citizen-based monitoring. In India this is reflected in the Citizen's Charter and Centralised Public Grievance Redress and Monitoring System (CPGRAMS). In South Africa this is reflected in initiatives like frontline service delivery and the Presidential Hotline.

d. In both the countries there is need for integrating evaluation results with the planning assumptions and process.

e. The feedback from M&E into the decision-making is not apparent in both the countries.

f. The system of Delivery Agreements in South Africa is an effective tool for cross-departmental/cross-sectoral issues, ensuring commitment of the concerned department to deliver; in India attempts have been initiated for developing cross-departmental agreements to ensure commitment.

4.2 Dissimilarities

a. India has a federal constitution with a cabinet system of government. The constitution lays down the role of the states and their areas of operation; the Centre 'intervenes' in the affairs of the States only under certain limited circumstances. The adoption of the Central Government-mandated Results-Framework Document (RFD) by the states is entirely for them to decide and cannot be enforced. However, so far 17 states in India have opted to adopt the RFD system. On the other hand even a few Central Ministries in India have chosen not to be within the ambit of RFD system. In South Africa, under a Presidential system, it is easier to reach out to the provincial and local governments, thereby achieving both vertical and horizontal integration of an outcome-based performance management which is difficult in India.

b. In South Africa, the Performance Agreement is an agreement between the President and the concerned Minister. The Minister signs it and is accountable for its implementation. In India, the RFD is signed by the department Secretary after being approved by the Minister, there is hardly any ownership of the political leadership in the RFD process here.

c. In South Africa, the reporting system for the priority areas to the Cabinet is vigorous, particularly in terms of periodicity. This ensures a high level of buy-in by political leadership. In India, reporting is half-yearly and is only submitted for appraisal to a high-power committee under the cabinet secretary. The involvement of the Prime Minister is not as direct as that of the President and his office and the Cabinet in South Africa.

d. In South Africa, the state-owned public enterprises are subject to monitoring by the concerned administrative department; no uniform performance management system seems to be in place for them. In India there is a very mature and uniform system of performance management, evolved by the Department of Public Enterprise, known as Memorandum of Understanding (MOU) signed by the head of the public enterprise with the Secretary of the concerned administrative department. Monitoring is done periodically and corrective measures taken after reviews. Performance of the Enterprise is evaluated in terms of the commitments given under the MOU. Financial incentives are given for good performance.

e. Innovation and adoption of ISO 9001 are relatively new initiatives taken in India but are being rapidly adopted. In South Africa ISO 9001 is voluntarily adopted in some provinces.

f. In India apart from department-specific success indicators, there are a few mandatory success indicators for all departments, which do not appear to be the case in South Africa.

g. In South Africa, while Delivery Agreements for the priority areas have built in cross-sectoral/cross-departmental issues, the MPAT system is driven

by activities and compliance (the old HR--silo approach to performance management) and can undermine management result orientation; the RFD scores in India are derived directly from target achievements and are consequently well-aligned with RFD result orientation.

h. While the evaluation reports are to be made public in South Africa, in India though they are presented to Parliament, they do not receive adequate media attention. Thus the RFD scores table does not create the same degree of peer pressure on either the Department or the Secretary.

i. The outcome model of performance model concentrates on priority areas while the Indian Model of RFD covers practically all departments and has a broader spectrum. In the past, India had a priority area approach known as the '20 Points Programme', which with over time and change of governments, became ritualistic and lost importance. South Africa has the advantage so far of the same ruling party since 1994 and therefore should be able to ensure that prime importance continues to be accorded to the outcome model.

5. Lessons for India

There is universal recognition that good governance gives competitive advantage to a country. It improves productivity, enhances transparency and if the outcomes are well defined will improve quality of life for the common man. South Africa may have taken the right approach of prioritising areas of national importance which may have a cascading effect once the outcomes are translated into universal impact for all citizens. A system of incentives/ disincentives for performance may well accelerate the process.

It must be recognised that the youngest nation in Africa has taken giant leaps in providing an inclusive and responsive system of good governance. With a total population of nearly 53 million, it has taken effective and appropriate steps for setting up a Performance Management System, certain features of which can well be emulated by other countries.

The Indian model has been in operation since 2009 and has achieved a fair degree of maturity, stability and acceptability. The South African model is relatively recent and is still in the process of evolving a National Evaluation Framework. Therefore in some respects, it is still a 'work in progress'.

The importance of consistent communication with the users by a dedicated department in the President's office, continuous training and interaction on the use of the models developed under the M&E system facilitates buy-in for the use of the models like outcome and MPAT. This helps in building ownership and interest in the use of the tools. There is also improved understanding of the need to develop more impact indicators and improve the quality of life of the ordinary citizens. However the system is still emerging and would need to be fully institutionalised. Building on international experience has

facilitated in the rapid development of the Performance Management system.

There are certain challenges also. Monitoring is still to become part of management function. Ability to predict problems would be helpful to the political leadership and for this purpose some risk management tool relevant for South Africa may need to be evolved. There is also the need to integrate the planning system with the M&E system.

The important lessons to be learnt from the South African experience are (i) the relevance of a top-down approach for a young nation; (ii) need for addressing selected priority areas for meeting the aspirations of the citizens and at the same time fulfilling the political mandate.

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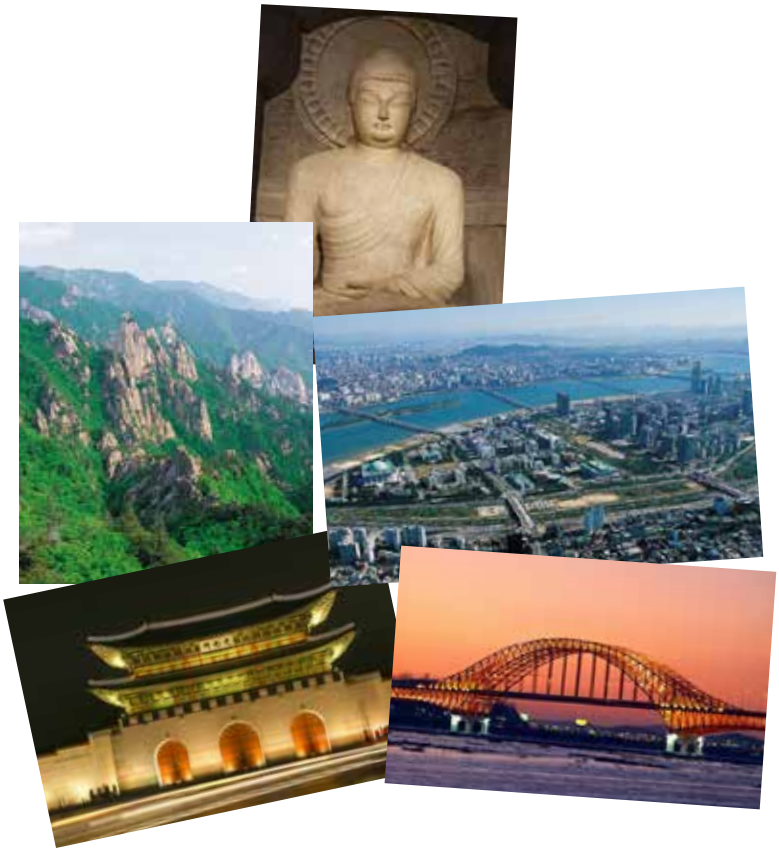
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South Korea



South Korea at a Glance

Capital	Seoul
Government	Unitary Presidential Constitutional Republic
Population	50.22 million (2013)
Area	100,210 km^2 (109th in the world)
GDP	$1.305 trillion (2013)



South Korea
Performance Goal Management System

Anil Kumar*

1. Country Profile

The Land of the Morning Calm, the Republic of Korea (known as South Korea, or simply Korea) encompasses the southern part of the Korean peninsula. South Korea is one of the Asian Tigers along with Hong Kong, Singapore and Taiwan, which have free and highly developed economies which grew rapidly between the 1960s and the 1990s. It has developed into one of Asia's most affluent countries since its partition with the North in 1948.

The Korean Constitution calls for a liberal democratic political system. Its principles are based on the sovereignty of the people, with all the authority of State emanating from its citizens: separation of powers among the three branches of government, the rule of law, and the responsibility to promote citizens' welfare, as well as the attainment of a peaceful unification of Korea.

2. Evolution of Performance Management System in Korea

With a view to improving performance in governance, since 1961, Korea brought into place its Monitoring of Government Programs and Projects. Corresponding to the Economic Development Plan, it was focused on 'Input' and 'Process' monitoring. Over time, the system kept evolving, improving with every step.

The thrust was been on Public Financial Management (PFM) reforms and the PFM package which finally emerged comprised performance budgeting, top-down budgeting, and programme budgeting. Korea's National Finance

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Act, 2007 provided legal basis for PFM reforms. In fact, the evolving PFM reforms, accompanied by organisational restructuring, were the tool and the mechanism to improving the performance of budgetary programs and projects. As a key element of PFM, Performance Budgeting (PB) served as the comprehensive mechanism to monitor, review and evaluate performance of all budgetary programs.

In 2003, the government introduced the Performance Goal Management System (PGMA) of Budgetary Reforms. With legal backing under the articles of National Finance Act, in 2007, all government expenditure programs, ministries and other government agencies mandatorily were obligated to fulfill certain requirements towards improving performance. The system has three layers: a) Performance Monitoring: Performance Goal Management; b) Performance Reviewing: Budgetary Performance Assessment (BPA); and c) Programme Evaluation: In-depth Evaluation of Budgetary Programs (IEBP).

The starting point of performance management for budgetary programs is preparing the 'Annual Performance Plans' (APP) (mandatory under National Finance Act, 2007) by line ministries and their submission to Ministry of Strategy and Finance (MOSF) which, in turn, submits them to the National Audit Office; finally these are passed on to the National Assembly. As of December 2012, 50 central government offices and 65 public funds are covered under the system and to submit APPs and meet all other requirements.

There has been significant progress in improving quality of performance indicators by way of moving from 'input' or 'process' indicators to 'output' and 'outcome' oriented performance indicators. APPs of 2013 are having 1298 performance indicators for 444 performance goals at an average of 2.92 to a performance goal. Out of these 791(60.9%) are outcome indicators, 395 (30.4%) are output indicators, and 112 (8.7%) are input/process indicators. In respect of performance indicators for tasks, 50 central government offices report 5139 indicators out of which 2877(56%) are outcome indicators and 1922(37.4%) are output indicators.

While PGM was first to be introduced in early 2000s, another critical tool of the performance management system tool was Self-Assessment of Budgetary Programme (SABP), implemented from 2005. SABP was the first bona fide review and evaluation scheme that provided objective information on programme outcomes. Alongside the introduction of SABP, the IEBP undertakes 10 important programs every year. Their evaluation results and recommendations serve as valuable input to MOSF in the consideration of further action on these programs.

Further along the way, there are plans to build a Performance Information (PI) Board to promote monitoring of Projects. Performance (outcomes) of the

PI Board monitoring will be integrated into BPA. Also, some programs are attempting Performance Contracts (PCs) to improve performance although contract management capacity is an issue to be addressed. Finally, the MoSF will conduct a quarterly review of performance from 2015.

3. Structure of Government Performance Management System

3.1 Performance Goal Management (PGM)

APP includes a hierarchical structure of the budgetary programs: the line Ministry; their mission, strategic goals, performance goals and project goals. The mission corresponds to the highest goal of the line Ministry: strategic goals match the office-level goals, performance goals link to bureau-level goals, and project-level goals correspond to team-level goals.

Performance indicators and targets are assigned to each performance and project goal. APP also contains strategies to achieve the stated goals and an outline of outside factors that are expected to affect the goals.

APP prepared by government offices is submitted to MOSF; MOSF reviews it and sends back for revision.

Under the reformed PFM system, line ministries now enjoy more budget autonomy and responsibility. After budget ceilings are decided in the top-down Medium Term Expenditure Framework (MTEF), line Ministries formulate their own budgets. Line Ministries now have upgraded budget division which really functions as the budget office responsible to prioritise budget requests and allocate resources according policy priorities.

The monitoring system is of help to internal management and provides a comprehensive list of performance indicators in relation to policy goals. The system gives the first feedback on performance of budgetary programs, drawing attention to programs that may not be meeting their goals.

To overcome the performance information problem, training and consulting services were provided to line Ministries. Korean Institute of Public Finance customised those services and also produced a manual to help line Ministries develop proper performance indicators.

Along with APP for the next year, line Ministries are also mandated to submit performance reports for the current year to MOSF as part of making budget request (this report shows comparison of performance goals with actual accomplishment). These reports thus constitute the feedback system of performance evaluation into the budget process in the National Assembly.





3.2 Performance Reviewing: Budgetary Programme Assessment (BPA)

BPA was established as an evaluation tool on the government expenditure programs as a part of the integrated evaluation system on government performance launched by the enactment of the Government Performance Evaluation Act, 2006.

Under the BPA system, line Ministries are required to submit SABP reports based on a check-list developed by MOSF with questions on key aspects of programme vis-a-vis 'Design and Planning' , 'Management' , 'Results and Accountability'. Answers to these questions need to be supported by evidence. These comprehensive reviews, which are modeled after the US PART programme, are examined in MOSF which assigns each programme a rating: effective, moderately effective, adequate, ineffective or very ineffective. Line ministries are expected to consider at least 10% cut for 'ineffective' programs. The review results are put on the MOSF website. Reviews also include evaluation of a third of government programs every year.

SABP is the most actively and systematically used tool for decision-making on further action with respect to programs under implementation. SABP reports also throw up the need for action on cross-cutting issues impacting performance of programs; this process enables MOSF to take care of cross-cutting issues and find solutions in time.

3.3 Programme Evaluation: In-depth Evaluation of Budgetary Programs (IEBP)

In-depth Evaluation of budgetary programs has been institutionalised as apart of PB system. Every year an Evaluation Panel is created for each of the 10 programs selected for evaluation; required support is provided by MOSF and line ministries. Evaluation reports help in deciding whether to reflect these results in resource allocation changes or programme consolidation.

3.4 Performance Management of Public Enterprises (PEs)

Under the Korean Government – Invested Enterprise Management Act,1984, a system of performance evaluation of PEs was put in operation to improve their management efficiency. Under the auspicious of Public Enterprise Management Evaluation Council (MEC), headed by the Minister, Annual Performance Report submitted by CEO of PE is evaluated by Performance Evaluation Task Force comprising Professionals, Chartered Accountants and others, which accords performance grading based on which performance pay is determined.

3.5 Performance Management of Non-Budgetary Programs

Prime Minister's Office (PMO) is playing an increasing role in performance review and evaluation. In fact PMO sets the framework for GPM ; it conducts

its own review process about non-budgeted policies and important policy agenda. PMO also closely monitors the evaluations required to be done by different central agencies- the Government Performance Evaluation Committee (GPEC), which is co-chaired by PM, is the mechanism to ensure efficient compliance of the tasks required to be performed under the articles of Government Performance Evaluation Act, 2006.

3.6 Organisational Responsibility for Implementation of Performance Management system

a. Ministry of Strategy and Finance (MOSF)

- MOSF is the nodal Ministry having a Performance Management Division (PMD).
- MOSF distributes manuals for PGM and SABP to make evaluation task as easy and simple as possible.
- MOSF has developed Monitoring, review and Evaluation systems of budgetary programs as part of PFM reforms backed by statutory framework (National Finance Act, 2007).
- MOSF undertakes evaluation of programs and reflects SABP results from line Ministries in budgeting.
- MOSF takes care of cross-cutting issues mentioned in APP (and as emerging from SABP).
- MOSF also evaluates managerial performance of public entities including state enterprises and quasi-government entities.

b. Prime Minister's Office

- Undertakes overall Policy monitoring and in-depth examination of some policy issues.
- Attempt is being made to consolidate all the M&E activities in the Government.

c. Ministry of Public Administration & Security (MoPAS)

- Reviews financial management of local governments.

3.7 Conclusion

- The Korean system has evolved around PFM reform which acquired legal backing under the articles of National Finance Act, 2007, National Accounting Act 2009 and Government Performance Evaluation Act, 2006.
- MOSF acts as the nodal Ministry for Performance Management through the PB mechanism (which is backed by the Articles of National Finance Act, 2007). Structure of PB, which is key element of PFM system, prescribes preparation of APPs by line Ministries with output/outcome oriented performance indicators. The APP as also performance information report





are to be submitted by line ministry to MOSF, which in turn submit these to National Audit Office and to National Assembly.

- Based on inputs derived through performance monitoring (PGM), performance reviews (SABP) prepared by line Ministries (as per checklist drawn by MOSF), and evaluations (IEBP), MOSF takes decisions for suitable actions (on the basis of rating system) such as granting incentive of budget increase (for programs demonstrating good performance) or enforcing budget-cut of 10% for 'ineffective' programs, review future of a programme (whether to change its design, or effect its consolidation etc).
- MOSF is also responsible for performance management of Public Enterprises.
- A system also exists in PMO to undertake overall Policy monitoring and in-depth examination of some policy issues.

4. Comparison with India

4.1 Similarities

a. A central nodal authority, endowed with substantial authority, is a similarity between the two countries. Nodal authority in Korea is located in MOSF as the Korean system is mostly driven through budgetary linkages to performance.

In India nodal authority (PMD) is part of Cabinet Secretariat (For PEs, Department of Public Enterprises is the nodal authority for Performance management system).

b. Preparation of Annual Performance Plans (APP) by line Ministries is a requirement under the articles of the National Finance Act of Korea**.** APPs comprise Mission, Vision, Objectives and Goals with appropriate performance indicators and target values**.**

RFDs also include programs and actions other than budgetary programs which are performed towards achieving Government mandated objectives and goals. In addition RFD also includes certain mandatory items uniformly applicable to all ministries to improve performance of delivery system, client satisfaction, innovations etc. carrying 15% of total weight allocation.

4.2 Dissimilarities

a. Present Korean GPM system flows out of PFM reforms which derive legal backing under the National Finance Act, 2007. The key mechanism of GPM is the PB system which entails monitoring, review and evaluation of all budgetary programs and projects.

RFD system is not linked with implementation of PB system which is implemented by Ministries/MoF. RFD system has been introduced as a measure of administrative reforms to improve governance under directions and orders of Prime Minister.

b. The Korean system focusses on monitoring of performance of programs, there is no system of measuring performance of a Ministry as a whole.

RFD system has its focus on measuring total performance of the Ministry.

c. The focus of GPM in Korea is on monitoring, review and evaluation of budgetary programs so that on the basis of performance assessment reports (supported by evidence), corrective actions through process of budget allocation/budget cut (for 'ineffective' programs) could be taken. In fact a very strong and well-developed monitoring and review system is the core strength of GPM in Korea.

In RFD system, focus is on assessing performance of the Ministry as a whole taking into account performance levels in all the programmes and actions with reference to the target values in accordance with well formulated REM (RFD Evaluation Methodology). A composite performance index so determined gives the relative performance of different Ministries. RFD system aims at building pressure on Ministries to improve their overall performance which, of course, is directly linked with successful and efficient implementation of individual programs.

d. In Korea, performance management of Public Enterprises has a system of performance pay but there is no performance linked cash incentive scheme for government budgetary programs.

RFD system envisages implementation of performance linked cash incentive scheme for Government Departments also.

5. Lessons for India

5.1 Korean system is strong in monitoring performance. The APPs are effectively used by line ministries for internal monitoring of progress and review of programs. Similarly, our Ministries should use RFDs as instruments of effective monitoring. Ministries are required to submit quarterly performance reports to Cabinet Secretariat/Cabinet, these should also be with reference to their RFD. As part of endeavor to improve performance, each Ministry should identify a few important programs for which bringing out Quarterly/Half Yearly Programme-Reviews (as per SABP system in Korea) should be a Success Indicator in the RFD.

5.2 Performance evaluation is done by PMD on the basis of performance reports furnished by the Ministry. However, presently no checking is done on the performance reported by the Ministry. As is the practice in Korea, our Ministries should also be required to support the performance reporting with evidence. Introduction of this practice would also check any tendency for 'gaming' of target values in Section 3 of RFD.





5.3 A unique feature of Korean system is very effective review mechanism of all budgetary programs through SABP reports. These reviews not only help in taking decisions on programs which are not performing well, but also help the nodal Ministry (MOSF) to address cross cutting issues for timely corrective action.

However, management of priority cross-cutting issues (listed in Section 5 of RFD) appears considerably weaker than is the case in Korea. The Korean system of reviews is, therefore, worth emulation at least for some important and key programs for which periodic review notes (based on a check list to be issued by PMD) are submitted by the Ministry to PMD including actions required on cross cutting issues as listed in Section 5 of RFD. These cross cutting issues could then be addressed in time by PMD with the assistance of Secretary (Coordination), Cabinet Secretariat.

5.4 Korean philosophy has been to focus on ways to improve the performance rather than going for performance assessment of a Ministry as a whole. RFD system should also focus on ways to improve performance. Happily enough this approach is now beginning to be adopted in India.

PMD is not only concerned with improving the quality of RFD, but is also engaged in several RFD linked measures for improving performance of Government programs. RFD system recognises that performance of a Ministry depends largely on the performance of its subordinate offices and agencies (RCs). Added emphasis is, therefore, now on improving the quality of RFDs of RC's. Effort is also on to see how the RCs can be made effective 'Agencies' for efficient implementation of programs. In this context, Korean experience of top-down budgeting in which organisations enjoy increased autonomy and freedom to prepare budget as per their own priorities with in the over-all budget ceiling, does hold a lesson for improving performance of RCs.

5.5 In Korea, MOSF, as a nodal authority for GPM, also combines the 'strategic planning' and 'finance' functions and thus is in a position to have an integrated view of medium term goals and annual budget allocations. Perhaps here there is a lesson for us to consider integration of annual plan and budgetary allocation in the same ministry.

5.6 Korean experience of setting up 'Reform team' in different organisations to improve the culture of performance, as also efforts to enhance trust of the citizens in the performance information delivered by public services has some lessons to offer.

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United Kingdom



United Kingdom at a Glance

Capital	London
Government	Unitary Parliamentary Constitutional Monarchy
Population	64.10 million (2013)
Area	243,610 km^2 (80th in the world)
GDP	$2.522 trillion (2013)



United Kingdom
Government Performance Management System

K. Padmanabhaiah*

1. Country Profile

The United Kingdom is one of the most centralised systems in the developed world, where the Central government holds great power and authorises all lower tiers of government and public services. Most of UK's public services are not a part of central government but it exercises control over how these services are operated. In reality none of these powers have any constitutional standing. Even the devolved governments in Scotland, Wales and Northern Ireland are based on the Acts of Parliament, which can be amended or even revoked at any time. Local governments likewise only exist by permission of the central Parliament and can be reorganised or even abolished by it.

2. Evolution of Performance Management Approaches

UK governments focus on performance policies evolved in a period of political and economic stability. The New Labour Government formed in 1997 brought in marked changes in British politics. Services like health and education saw much larger increases in resources than others, all areas saw substantial real-term increases in resources over the decade from 1999 to 2010. The New Labour Government also embarked on a series of reforms of how public spending decisions were made, most prominent of which was the introduction of medium term. 'Comprehensive Spending Reviews'/'Spending Reviews' were introduced which would set 'Departmental Expenditure Limits' (DELs) for Ministries for three years in advance. The difference between a Comprehensive Spending Review (CSR) and a simple Spending Review (SR) was that the former were fundamental strategic reviews of

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spending priorities whilst the latter were merely incremental changes to existing priorities.

The Comprehensive Spending Review involved a fundamental strategic relook of spending priorities and fixed three-year budgets for each department, allowing departments 'end-year-flexibilities' in spending the money. In exchange for the three-year budgets, and increased flexibilities in spending, the departments were asked to set clear objectives, and measurable targets for the first time, in the form of annual 'Public Service Agreements'(PSAs) but essentially with no structural change over the three-year period.

These PSAs were developed by the departments in consultation with the HM Treasury. During the long period of Labour Government there were five rounds of Spending Reviews and Public Service Agreements both covering a three-year period (these were in 1998, 2000, 2002, 2004, and 2007 -- the last one covering the years 2008-09, 2009-10, and 2010-11). The comprehensive reviews of 1998 and 2007 were Zero-based budgets to renew each department's baseline expenditure to reflect changing priorities. Each subsequent round saw refinements and improvements to PSA architecture. In the first round done in 1998, each Ministry, agency and other public bodies (called NDPBs or Quangos) made a PSA, with the overall number of targets being around 600. Only 15% of indicators related to outcomes, 7% to inputs, 27% to outputs and as many as 51% to processes. In the second round in 2000, the total number of targets came down to 160, as many operational targets and measures were taken out of PSAs and incorporated in a new instrument called 'Service Delivery Agreements (SDAs). Also the concept of Cross-cutting PSAs with a 'Lead Ministry' was introduced with 15 of those making an appearance, and quality of PSAs improved with 'Outcome" indicators going up to 68%. In the third round the number of PSAs further reduced to 130, which further went down to 110 in the fourth round. 'Service Delivery Agreements' were abolished as they contained too many performance measures and targets for the departments. This allowed greater flexibility to the departments. But the number of cross cutting PSAs increased to 22.

In the fifth and final iteration, after extensive consultations with the public and frontline professionals, a drastic change was made, taking into account the far-reaching social, economic, and technological innovations that have transformed the environment in which public services operate. The new model is built on three principles:

- Setting a clear focus on ambitious priorities for the central government as a whole.
- Putting users at the heart of services, and
- Placing greater trust in those delivering services to respond to the priorities of individual areas, communities and citizens.

As a consequence in 2007 all individual departmental PSAs were done away with, and were replaced by 30 top priority, cross-cutting PSAs each supported by a handful of indicators (ranging from 2-8). Overall the 30 PSAs were underpinned by 152 indicators. A new concept of 'Delivery Agreements' for each PSA was introduced in place of Service Delivery Agreements which were abolished in 2004. To cover the core business of government not captured by the 30 Cross-cutting PSAs, 'Departmental Strategic Objectives'(DSOs) were agreed for each department setting out what they intend to achieve over the three-year spending period. About 100 DSOs were prepared in2010. One common Service Transformation Agreement for the entire Government was brought out, with the aim to change public services so they more often meet the needs of the people and businesses, rather than the needs of Government. Each of the departments also developed their own detailed Service Transformation Plans. After a short life of only four years, the new Coalition Government abolished all cross-cutting PSAs in 2011.

3. Federal Performance Management Approach

The nature of PSAs had dramatically changed over time. In the beginning departmental PSAs were quasi contracts between HM Treasury and the spending department, linking resources to delivery. But PSAs in 2008-11 were mainly a statement of collective Government targets. Thus one can say that PSAs in 2007 were quasi contracts between Government and the people (Parliament).The function that PSAs had played previously between HM Treasury and individual departments was relegated to the DSOs.

3.1 Top level support to PSAs

The HM Treasury, Cabinet office, and 10, Downing Street played key roles in devising, monitoring and supporting the PSAs. As policy delivery was getting delayed in cross-cutting PSAs, the Prime Minister' Delivery Unit (PMDU) was created in 2002 first in the Cabinet Office and later shifted to HM Treasury. Progress reports on PSAs delivery are published twice a year and placed in the Parliament. PMDU's initial mandate was to analyse the results in just four major areas of policy - health, education, criminal justice and transport against PSA targets. This was done through quarterly stock-taking meetings with each of the four departments, with Prime Minister, Ministers and officials attending. The PM thus attended 16 meetings of PMDU a year. These reviews offered credible advice on how to make improvements in 'deliverology'. In 2005-06 PMDU launched the Capability Review Programme to build capacity of the civil servants and departments for 'leadership, strategy and delivery. Such reviews were conducted every two years by the PMDU along with external experts. A strategy unit was created in 2001 at the Cabinet office to help set government priorities and to measure 'Public Value' in the PSAs. Many ministries followed suit and established their own Strategy Units to look at long-term challenges and cross-cutting issues. HM Treasury brought out two publications- the Green Book as a guide to economic appraisal of





projects and a Magenta Book which provided guidelines for evaluation of policy.

3.2 Validation of data systems by NAO & developing National Indicators

Another unique feature is that setting performance targets and monitoring for subordinate bodies, i.e. service delivery agencies and local government, has been delegated to third party audit and inspection bodies, like the C&AG and Audit Commission. This has led to the talk of UK becoming an 'Audit Society'. However at the central government level, as far as PSAs are concerned C&AG studies were limited to validating the data systems only, they could not audit the actual data itself. For instance, as regards data used , to measure progress against the PSA indicators during 2008-2011, NAO found that 56% was fit for purpose, 33% broadly appropriate but in need of strengthening, and 11% not fit for purpose. There was a noticeable improvement compared to earlier years. Validation of data systems underpinning DSOs showed them to be weaker than those of PSAs. Forty four% was fit for purpose, 33% broadly appropriate but in need of strengthening and 23% was unfit for purpose.

4. Sub-national Performance Management Approach

These administrative agreements (quasi contracts) between central government and local authorities introduced in 2005 aim at better delivery of public services-in health, welfare, employment, education, communities, economic development, policing and community safety, the environment etc. These are three-year agreements, refreshed annually, and intended to provide strong focus for the community leadership role of a local authority and increasing focus on citizens, and meant to transfer power from Whitehall to local authorities and to communities. The agreements provide for outcomes, indicators & targets, operational planning and delivery in exchange for the resources provided to deliver the services, and are monitored regularly. Local authorities and their partners (if any), report to their citizens and users on their performance during the year, including against the national indicator set. Performance against each of the 198 indicators is published annually in a league table by the Audit Commission, as part of the Comprehensive Area Assessment, for every LAA area allowing the public to compare the services they receive. As a result of LAAs, the number of national targets was radically reduced -- with only one third of the PSA indicators now having targets attached at the national level. The government also committed to reduce data burdens on the frontline and reduced the huge number of indicators for local government from 2000 to 200. On the citizen front, around one fifth of the PSA indicators are related to citizen perceptions, confidence or satisfaction and the use of tools such as customer insight and customer journey mapping.

The Comprehensive Performance Assessment (CPA) for local governments introduced in 2001 is both an evaluation scheme as well as an incentive scheme. After a thorough examination of various performance indicators and a variety of audit and inspection reports, data was collected, summarised, weighed and categorised, to arrive at final star ratings between zero and four for all local authorities. The results are widely publicised and many local authorities which did not fare too well, lost their subsequent elections. One study by Warwick University showed that CPA ratings led to an increase of 4% in council tax rates, and a similar increase in quality of service. The study did not show any improvement in efficiency of service.

4.1 Positive and negative aspects of working of PSAs

In general, practitioners thought that PSAs led to clear goals and design strategies. Academic researchers seemed to be sceptical and thought that the Government could not establish a pervasive and consistent approach, with clear prioritisation and an alignment of the service providers from central government to local levels.

The PSA system contributed to substantial improvements in service delivery especially in large volume services like health, education and criminal justice. Further as a result of long history of performance evaluation, the subject caught the interest of think tanks, and academics. The Government also funded the Economic Social Science Research Council, a six year programme studying 'quality performance and delivery' in public services, which included 47 projects and fellowships.

PSA results were not published together in a single accessible place, but were published by each department individually, twice a year, but often in an inconsistent manner. During the years 1998, 1999 and 2000 three annual reports tabulating government performance as a whole were published but after intense criticism from the media and other quarters which called these annual reports as biased, selective, un-audited, and essentially political propaganda, their publication ceased. One of the criticisms was that the targets regime had led to public servants focussing on specific targets or gaming it (so called 'targetry') rather than on bigger-picture outcomes. Attempts were also made to evolve ‘Evidence-based policy’, that is, government policy based on evidence about 'what works in social, economic, education, and other areas rather than on ideology'.

4.2 Latest Trends in GPM- Coalition Agreements

Since PSAs and departmental performance targets were only given to the relevant departments, they were remote from citizens. However, the chain of performance targets could connect to the front-line level. A clear shift has been seen in the Spending Review 2010 where the Government set out its policy and financial priorities, and announcing significant cuts





to most departmental budgets. Coalition Agreements came into being and subsequently, the Government published 17 Departmental Business Plans which focus on the priorities set out in the Coalition Agreements. The Business Plans set out a policy intention to shift power from the central Government to local communities and locally-based public, private and voluntary bodies.

The Government empowered local people and enhanced local accountability by making data more freely available so that people could assess the performance of services providers. However, the planning to support the implementation of reforms and new models of service delivery is at different stages in different departments, with much of the detail under development or not yet in the public domain.

The Business Plans also contain key indicators of input and impact which provide high level accountability to Parliament and others for overall departmental performance. The Plans are a source of information for Parliament as they detail the allocation of resources within departments and the subsequent accountability for the use of those resources. In November 2010, each department across Whitehall produced a Business Plan which set out the priorities of the Coalition Government for the Spending Review period 2011-2015. These Plans are tools which set out the commitments of the coalition and the associated reforms. Ministers use the Plans as a way of monitoring departments' progress with the Coalition programme and the Government expects that they will also be used by Parliament and the public to judge the implementation of the reforms. These plans do not cover the totality of public spending; nor do they cover all activities undertaken by government departments. They therefore form only a part of the landscape which will enable us to assess the value for money of the Government's work.

The Government set out these reforms based on three broad principles: taking power away from itself and putting it in the hands of local communities; taking a long-term approach to reform to encourage sustainable high-quality services; and improving the transparency of its actions so that voters can assess progress and press for further changes, rather than using centrally-set targets as a basis for plans and accountability. The published Departmental Business Plans and the associated business planning by departments take into account these principles.

The published Plans adopt a common structure, with sections on vision, priorities, structural reforms, expenditure and transparency. They set out the rationale underpinning reforms and the actions proposed to implement them with these being brigaded under each of the stated priorities. The structural reform sections make up the largest part of most Plans: overall the 17 Plans set out over 1,200 reform actions, and over 600 milestones by which to judge progress. The Plans set out detailed actions and provide a basis from which to assess Departmental implementation of reforms.

Table 1: Example of a Business Plan – 'Improve police accountability, transparency and public trust'

Title	Start date achieved	End date achieved	Status	Notes
2.1.i Increase the powers and responsibilities of Police and Crime Commissioners to serve the public interest, including commissioning of victim services **Scheduled start date:** Started, **Scheduled end date:** May 2014		May 2014	Complete	
2.1.ii Ensure Her Majesty's Inspectorate of Constabulary identifies important policing risks and increases public awareness of police performance to help the public hold the police to account **Scheduled start date:** Started, **Scheduled end date:** April 2014		April 2014	Complete	
2.1.iii Make police.uk website more interactive and accessible **Scheduled start date:** Started, **Scheduled end date:** October 2013		November 2013		Police.uk has been redesigned to make it more interactive and accessible. The new website was launched on 7 November 2013.
2.1.iv Deal with serious and sensitive allegations against police by expanding the Independent Police Complaints Commission and reinforcing its powers **Scheduled start date:** Started, **Scheduled end date:** May 2014			Overdue in completing	The IPCC's powers were expanded in the Anti-social Behaviour, Crime and Policing Act 2014 (which received Royal Assent in March 2014). The IPCC's expansion programme is under way; this is the first year of a three-year expansion programme.
2.1.v Provide greater transparency and openness in policing by implementing Lord Justice Leveson's recommendations **Scheduled start date:** Started, **Scheduled end date:** April 2014			Overdue in completing	Half of the recommendations by Lord Justice Leveson on the press and the police have been completed. Work is underway on the remaining recommendations.





While the Plans articulate policy goals, there is little description of the expected benefits from reform actions. It is assumed that the Business Plans would have baseline data added to them in April 2011 to help judge the overall impact of the reforms. Reports indicated that many of the reforms represented policy decisions, which they took as the starting point for their planning, rather than the output from that planning. The Business Plans contained little detail, at the time of resource allocation. The Cabinet Office and Ministers said that Departments publish programme costing by April 2011, but it was not clear how they could be articulated well with the coalition agreements.

4.3 Measurement and Reporting

One of the criticisms is that the knowledge acquired over the last three-four decades has not been properly codified or systematically used. Success criteria like 'efficiency' 'value for money' etc have not been clearly defined. Every agency, inspectorate, audit body and the rest invents its own standards for measuring success. Professor Colin Talbot says that there seems to be all too frequently a 'reinventing of wheels' each time a new initiative emerges. He therefore suggests that some 'Generally Accepted Reporting Standards for Public Performance' (GARSPP) on the lines of 'Accounting Standards' be evolved. Similarly he criticizes that there have been a succession of units, offices, centre and initiatives to monitor performance. Instead, he suggests, there be one independent 'Office for Public Performance' (OPP) which, along with other experts be tasked to prepare the GARSPP.

As regards reporting and accountability relationship with Parliament, the PSA system provided the basis of accountability of individual departments to the Parliament for their achievements rather than simply for what they spent. It is a different matter that lack of capacity in the select committees of the Parliament translated into a rare scrutiny of the PSA results, which was therefore mostly delegated to the NAO and a newly established 'scrutiny unit'. In India the system of parliamentary scrutiny of RFDs is yet to be established.

5. Comparison with India

5.1 Similarities

a. PMDU/IU and PMD function as the central nodes of a performance-measurement-driven approach, with the main difference being that in UK, more performance targets and indicators are prescribed centrally, and there is a closer link with budgeting/HM treasury/SRs/CSRs.

b. Sanctions for failing and incentives for meeting performance targets or capture opportunities (shared service delivery, outsourcing, efficiency enhancements etc) remain weak in both systems.

c. Performance data and systems used for managerial decision-making remained limited in scope and in its appeal (It remained within the departments/ministries). For instance PSA data in the UK were seen as 'fit for purpose' only in 30% (SR02) and 56% (CSR 2007). The degree of full 'acceptance' and use of performance data in Indian RFD is yet to be tested.

d. Bottom-up feedback loop on what works and what does not, remains weak.

e. More capacity building with support from benchmarking, communities of practice etc is needed in both systems for better quality.

f. Operational Risk Management (ORM) needed to be built in.

5.2 Dissimilarities

a. The budgets and performance targets were better linked than in the Indian case. PSAs are consensus-based coordination mechanisms at three levels: (i) the allocation of resources at the ministerial level, (ii) policy-making at the departmental level and (iii) service delivery at front-line level. In contrast, RFDs cover only (ii).

b. There was close involvement of the Prime Ministers (both during the Labour regime and the current regime); and Cabinet Office, HM Treasury play critical roles in making the system work. Whereas RFDs in India are located in the Cabinet Office's PMD, somewhat further withdrawn from the PM and Finance, with tenuous links with budget and less invested visibility by PM. On the upside however, the system faces less vicissitudes because of direct political interference.

c. In UK there is greater emphasis on preparing PSAs (in the past) and Departmental Business Plans (DBPs) covering Cross-cutting Departments, with a lead minister and a lead civil servant. In Indian system, the one year time frame given in the RFD is too short. The medium term of three-four years in PSAs/DBPs is more useful. The Budgets and performance targets were better linked than in the Indian case.

d. Broad and innovative policy responses were adopted to achieve transformative targets showing a palpable departmental change management effort. For instance, the Home Office set a target to reduce vehicle crime by 30% between 1998 and 2004. The target achieved was well beyond the estimate, and crime during the said period fell by 46%. This was achieved by adopting particularly broad response by Department of Industries, the Police and the local authorities. Department of Industries worked with car manufacturers to improve vehicle security standards; local authorities introduced a new voluntary standard for car parks in UK so that police forces accredited those





car parks that had good security measures in place; and advertising campaigns were launched to encourage car owners to be more careful.

e. The overriding emphasis in the UK system is also on service delivery and customer satisfaction. Many success indicators are formulated to measure customer response. The Service Transformation Agreement is inspirational and focussed on six areas of strategic action to bring about transformation in service delivery. These areas are (a) learning from citizens and businesses,(b) grouping services in a way that are meaningful to the customer, (c) rationalising services for efficiency and service improvement, (d) making better use of the customer information which the Government already holds, (e) linking local and central government and (f) engaging frontline staff. In addition, a couple of specific key progress measures such as: i) reducing avoidable contact by customers by 50% in a three-year period, and (ii) building better online services, by reducing the large number of government websites for customer interface and rationalising the same) which were adopted in UK, could be of much use for beefing up citizens charters in India. Since frontline managers are the ones directly responsible for delivery of services, they are involved to a much greater extent than in India while formulating performance agreements.

f. In UK the responsibilities of Ministries/Departments and the executive agencies is very clearly defined.

g. The system of Local Area Agreements, has led to a better understanding of the entire supply chain, from policy making at the centre to the ultimate delivery to the citizen. 'Comprehensive Area Assessments' are carried out by an Independent Audit Commission, which are widely published every year. Based on the assessments, local authorities are given star ratings from 0-4.Literature shows that these star ratings had considerable influence on the local body elections. While this has been possible in a unitary state like UK, it may not suit a federal government like India. However, strong administrative linkages between the Centre, states, and panchayati raj institutions can be helpful in better service delivery. For instance, states can be consulted and their commitment secured before a central ministry formulates its 'Results-Framework Document'. Similarly there can be formal agreements between a state department and the local bodies for execution of certain programs and for delivery of public services.

h. The National Audit office validated the data systems (indicators of success) at the central government level.

i. Third parties like C&AG and Audit Commission were given responsibility to set up performance targets for agencies and local authorities.

j. Continuous efforts have been made to reduce the number of priorities and the number of success indicators. A single set of national indicators for use by the Central Government and for local authorities was evolved and codified.

k. The Parliamentary Public Accounts committee monitored the performance closely based on the reports and on oral evidence before it.

l. In UK there is more emphasis on planning and target setting than on implementation review, and on lessons learned from what worked or did not work, which was mostly left to NAO and other third parties, whereas review of target achievement is better integrated into the RFDs in India. The Indian system is more robust in certain aspects like laying down clear inter-se priorities with appropriate weights, in measuring percentage of success of each success indicator, and in working out a composite index of overall performance. India also developed a coherent system of monitoring, recording and codifying the performance data, at one place-namely the Performance Managing Division of the Cabinet secretariat.

m. No single composite index of performance for a department has been evolved in the UK system. Hence inter departmental comparisons are not easy.

n. An attempt has been made in the UK to introduce a performance linked incentive pay system, but it was given up as not feasible. Comparisons were made with huge bonuses being drawn by financial sector bosses in the city of London, and government felt that it cannot match such payments and hence dropped the idea altogether.

6. Lessons for India

Perhaps the most important lesson to learn from UK experience is that delivery is the key word in the entire performance chain. India has a three-tier structure of government with the Centre, states and local governance bodies. In most areas, the programs and policies of Centre have to be implemented by the states and local governments. There are of course some areas like Civil Aviation, Coal, Steel, etc which are essentially within the purview of the Centre. In view of this, it may be worthwhile to divide the targets to be achieved by a ministry/department, into three groups.

Where a Ministry's work gets executed by state level and local government functionaries, the Ministry may get into delivery contracts/agreements with officials of those bodies. There should be no objection from the latter, as the funds are being given by the Centre. In this way, the frontline managers





responsible for delivery, can be involved in the design of the RFD and in its implementation.

An overarching lesson from the UK system is the continuing efforts to simplify a sprawling system, reduce the complexity at all levels of government and to bring stability to the system. An example is the fact that while the number of targets was reduced from 600 in 1998 to 110 in 2004, it again went up to 500 in the new Business Plan format introduced by the new coalition government in 2011. This bouncing back and forth in complexity and type of measures has to an extent undermined the credibility of the UK performance management system in the public. The all too frequent organisational changes, undermining the continuity and comparability of performance measures were labelled by critics as 're-inventing the wheels'. The system needs a considerable degree of stability over time to become effective. The lack of an explicit sense of priority among the multitude of indicators also weakened the impact of PSAs while incurring huge costs of measurement.

UK placed great emphasis on coordinating cross-departmental policy-making and opted for 17 Cross-Cutting DBPs for its 17 Ministries. However, it faced problems in measuring the performance as most targets related to structural reforms, policy and efficiency. Under the more fragmented Indian government structure with 73 Departments/Ministries, cross-departmental targets should be focussed on fewer high priority areas in order for them to be manageable.

Devolution of authority in UK was promoted by PSAs, leading to greater diversity of frontline service providers, while providing them with greater flexibility to innovate for more efficient delivery and continuous performance reporting.

UK has emphasised the use of surveys which test public priorities for service delivery; India could emulate some of these.

The focus of PMDU is on 'unblocking' barriers to successful delivery; this work is to an extent performed in India by the High Powered Committee. A greater focus on this 'unblocking the barriers' by PMO might be useful to strengthen the ATF reviews.

The 'Service Transformation Plans' in the UK system incorporated substantial elements of change management- an idea which might prove helpful to introduce in the Indian system.

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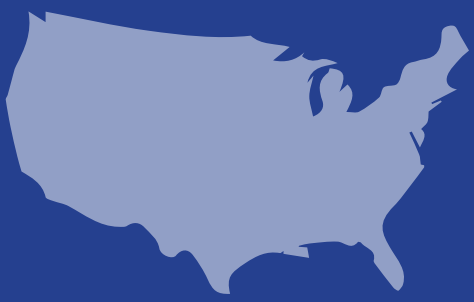


United States of America



United States of America at a Glance

Capital	Washington, D.C.
Government	Federal Presidential Constitutional Republic
Population	316.1 million (2013)
Area	9,826,675 km^2 (3rd largest in the world)
GDP	$16.80 trillion (2013)



United States of America

Government Performance Results Management Modernisation Act

Radha Singh* and R. K. Mishra**

1. Country Profile

The Government of the United States is based on a written constitution, which created three separate branches of government. Each branch has its own powers and areas of influence. At the same time, there is a system of checks and balances to ensure that no one branch would reign supreme. Like in the case of India, one of the most complicated foundations of the US is the principle of federalism. The central government does not control all the power in the nation. The states also have powers reserved to them and there are challenges faced by centre and state governments in the process of delivering and performing according to the expectations of the people.

2. Evolution of Performance Management Approached

Premised on the foundations of a statute i.e; the Government Performance Results Act (GPRA) 1993, the Government Performance Results Management Modernisation Act (GPRMMA 2010) and several initiatives taken by successive Presidents of the United States, the Congress and the civil society over the last 20 years, the American government performance management system is arguably one of the most evolved in the world.

Launched with a view to efficient management of financial resources and enhancing accountability in service delivery at various levels of government, the government performance management system has facilitated a culture of planning and reporting by the government agencies thereby improving the delivery processes or project management in the government. The

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system in the United States is one of the most evolved and developed systems in GPM wherein the government agencies plan their activities well in advance by setting goals, measuring results and reporting the progress to government. Even before the process of performance management formally began, the Government Accountability Office (GAO), which is research organisation providing information to the US Congress, the Controller General's Office, academic institutions, think-tanks, the private sector, have been involved in the process of defining priorities, assessing performance, accountability and oversight. The objective of the above enactments, initiatives and performance assessment tools (such as PART), and the High Performance Priority Goals (HPPG), was to improve project management and enhance performance of government/agencies. The process and procedures mandated all the government agencies to design mechanisms for improved performance by setting goals, measuring results and reporting progress.

3. Structure of the Government Performance Management system

3.1 Performance Management at Federal Level

The Office of Management and Budget (OMB) works with government agencies to develop long-term 'Federal Government Priority Goals' (FGPGs) which are required to be updated or revised every four years. The FGPGs are required to be developed by agencies under two categories: (a) outcome-oriented goals in a limited number of policy areas that cut across agency boundaries, and (b) goals for management improvements across the federal government. In the second category, the goals relate to improvements in financial management, human capital management, information technology management, procurement and acquisition management, and real property management. The new GPRAMA aligns the process of developing federal government priority goals to coincide with the deadline for submitting the President's budget proposal.

The new GPRAMA act also mandates the OMB to coordinate with government agencies to develop an annual Federal Government Performance Plan (FGPP). These Plans are submitted to the Congress with the President's budget proposals for each subsequent year. Among other things, the FGPGs is required to establish one or more 'federal government performance goals' for each federal government priority goal. The Plan is also required to identify a 'lead Government official' to be responsible for coordinating efforts to achieve each federal government priority goal. Like the Agency Performance Plan, the FGPP is a two-year plan that covers the forthcoming year and the year in which it is submitted.

Quarterly reviews for FGPGs, are conducted each fiscal year. GPRAMA requires OMB to conduct a 'quarterly priority progress review' of the progress toward achieving each federal government priority goal. The law does not require the reviews themselves to be transparent to Congress or the public.

3.2 Performance Management at State and Local Levels

The Government Accounting Standards Board (GASB) which is funded and monitored by the Financial Accounting Foundation (FAF) is an organisation responsible for creating accounting reporting standards or Generally Accepted Accounting Principles (GAAP). These standards/principles give the government agencies – both at the state and local government level – greater clarity to use financial records. GASB provides guidelines to establish and improve standards of state and local governmental accounting and financial reporting to result in useful information for users of financial reports and guide and educate the public, including issuers, auditors, and users of those financial reports.

In much of the literature on Government Performance Management in the United States we see that the state and local governments are often cited for their advanced practices related to results-oriented systems. The Governmental Accounting Standards Board (GASB) case analyses of state and local government performance measurement applications hosted on the website *(http://www.seagov.org/index.html)* provides a wealth of information on performance measurement Most of the governments at the state and local levels have adopted some sort of a performance measurement system, its effectiveness varying across locations. Local government officials face a challenging situation and are under tremendous pressure to ensure service delivery efficiency with limited revenue-generating options. Further, like officials at all levels of government, local administrators also are under pressure to communicate and spell out the performance of their agencies and departments in the face of a dramatically and continually weakened economy.

GASB drives these initiatives which support government experimentation with performance measurement and reporting. Research studies by Willoughby and Melkers (2000) indicate that at the state level, performance measurement remains most essential for managerial decisions and communication purposes, while its impact on appropriation outcomes is quite limited.

A study done by Sloan Foundation in the year 2000 – which took views from 735 administrators through a questionnaire – indicates that at the state level, the staff in executive and legislative budget offices have a broader perspective on performance-measurement use in their state than their local government counterparts, and they are among the most knowledgeable individuals to report on performance-measurement activities within their state. The local department heads therefore are more likely than state department and agency heads to attend meetings where budget and performance issues are addressed. It is also observed that there is high level of performance-measurement use in local government departments.

4. Comparison with India

4.1 Similarities

a. Setting up an Institutional Mechanism

In order to effectively establish performance culture, the Government of India established a Performance Management Division (PMD) in the Cabinet Secretariat in January 2009. The PMD is the oversight agency responsible for establishing mechanisms for performance monitoring and performance evaluation in Government departments on a regular basis. In the case of USA, the OMB located at the President's office bears the responsibility of oversight for implementation of GPM system.

b. Fixing Accountability

The performance management system developed in both the countries goes a long way in fixing the roles and responsibilities for delivering within the agency. In the case of USA, each agency designates a senior executive as Performance Improvement Officer (PIO), responsible for assisting the head of the agency in goal setting, planning and performance measurement. He also assists with quarterly review of progress. In the case of India, a similar mechanism exists, there is a RFD coordinator identified by each department to assist the head of the department to develop the RFD and assist in the review and implementation of the process.

c. Establishing a Culture of Transparency

In the case of both countries, there is an effort to build in the element of transparency in the system. In USA, the GPRAMA 2010 makes it mandatory for the agencies to publish their strategic and performance plans and reports on websites. In the Indian context, the RFDs are developed and published online for brining in greater transparency to the PMS. It is expected that this kind of an initiative will provide greater scope for citizen participation in the performance management of government.

d. Using Performance Data in Decision-making

It has been observed that in both the countries, although the GPM system has received a great amount of focus from the Governments, there has been no clear evidence of performance data being used effectively for improving the decision-making process within implementing agencies.

f. Peer Learning

In USA and in India, the practice of learning through peer knowledge sharing is a phenomenon, which is being encouraged by the Governments. In India and USA, Communities of Practice have been established where peer learning and support is an integral part of the performance culture. In the US, the best practices from state, local governments as well as private sector are studied and imbibed into the government agencies.

g. Lack of Punitive Action

In the case of both USA and India, we see no reference to any punitive action for non-performance. There is no provision for punitive action in case agencies are not able to reach the targets, but if any agency fails to meet its performance goal, they have to present an explanation for why the goal was not achieved and define actions to address the shortfall. But with regard to motivation, the Government of India is looking at the possibility of including the most vital element of motivation and celebration through financial and non-financial incentives for good performing organisations.

4.2 Dissimilarities

a. Legal Framework

The US Government provided for a legal framework to the performance management system and enacted a law, entitled 'Government Performance and Results Act' (GPRA) in the year 1993 with an objective to improve project management and enhance service delivery efficiency of government departments. The Act made it mandatory for all the government agencies to design mechanisms for improved performance by setting goals, measuring results and reporting progress. In case of India, though there is no law backing the Performance Management and Evaluation System (PMES) established by the Government of India. The government makes it mandatory for each government agency to prepare an RFD which highlights the departmental objectives and priorities of the department for each financial year as well as indicates the reporting achievements of the department against pre-specified targets indicated in their RFD at the end of the year. The Performance Management Division at the Cabinet Secretariat is responsible for overseeing the implementation of the system.

b. Alignment of GPM with National Priorities

In the case of USA, the government agencies develop agency strategic plans (ASPs) which are four-year plans, involving stakeholder consultations, develop agency performance plans (APPs), and develop regular performance updates (APUs) and place it on their organizaition websites. The process of developing and updating ASP align with the national priorities and goals. While in the case of India, though the RFDs are prepared aligning them with the Plan documents, and the negotiations are around the process of alignment with both the planning process as well as the strategic nature of the organisations. The RFDs are aligned with the objectives and priorities of the concerned department/ministry.

c. Alignment of GPM to Budgets

USA shows a clear alignment of the plans developed by the government agencies with the budgeting process. In contrast, in India, though the RFDs are developed keeping in mind the Departmental/Ministry budgets for the year, they are not indicative of any alignment between the budgets and the performance plans.





d. Planning Period

In the case of USA, the Agency Strategic Plans are developed for 4 years, the Agency Priority Goals (APGs) are made for two years, while the Agency Performance Plans are annual and APRs are done on a quarterly basis. In the case of India, whereas the Long-Term Strategic Plans by the Planning Commission are for five years, the RFDs developed by the agencies are annual and reviews are done on a half-yearly basis.

e. Presence of Political Support

The GPRA Act, in USA makes it mandatory for government agencies to involve members in the congress and other stakeholders in the development of the Annual Strategic Plans so that there is acceptability and consensus on what has to be achieved. It is mandatory for the agencies to have consultations periodically with other oversight committees and their views have to be incorporated in the plan. While in the case of India, the RFDs are developed and finalised in a participative manner. During the development of RFD there are extensive consultations with internal stakeholders, and selective external stakeholders, but we see a clear absence of any ratification of the plan sought by the political authorities.

f. Review Mechanism

In the case of US there are quarterly performance reviews, while in the case of India, the RFDs are reviewed in a half-yearly basis.

g. Guidelines on Review Mechanism

In USA, we don't see any published guidelines for review of the GPM process. The government keeps using most of the time specific survey data to identify the citizen priorities, and other surveys to fine-tune the measurement process. While in India there are published RFD guidelines published by the PMD which guides the process of formulation and implementation of performance management system in the Government.

5. Lessons for India

In India we most certainly need legislation and enactment in this area. This would help stabilise the newly-created system and would clearly lay out the 'rules and the game', wherein the processes, procedures, products, results are streamlined and most of all made mandatory. India needs more institutional support and greater participation of sister agencies such as the Auditor and Comptroller Generals office, think-tanks, private sector and other credible institutions engaged on this subject.

Presently India's performance management system is centred on the executive agencies/civil services with marginal inputs from other institutions. What is visibly absent is the active participation of the legislature, Parliament and state assemblies that need to be more actively involved not only in

prioritising national and annual plan objectives/priorities, but also in the process of the performance accountability and transparency, quality service delivery and citizen satisfaction need. A strong culture of performance needs to be inculcated at all levels. Pervasive ownership across all sectors and segments of society have to be centre-staged with resources flowing to those very areas which are deemed to be essential and basic.

5.1 There is a need to conduct Strategic Review to assess whether the process of GPM (RFDs) in government is really delivering desired results, enhancing performance management culture is government departments and ultimately enhancing service delivery.

5.2 Linking performance measurement system RFDs to departmental budgeting process in India is very vital for ensuring effective use of resources and to making the whole process objective and transparent.

5.3 There is a need to effectively make use of the performance management information to rectify the systemic issues, human resource aspects, financial management systems and other organisational aspects to enhance overall performance.

5.4 Capacity development initiatives to be taken up for producing desired results in the organisation. There remains the ongoing need to train managers and staff on how to analyse and use the data effectively early in the implementation process.

5.5 There is need for continuous learning and improvements in the ongoing system of GPM through learning's from other countries and local good practices.

5.6 Citizen involvement in the process of GPM in India needs to be enhanced as this is the need of the hour and any such initiative will make the citizens feel closer to government.

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Vietnam



Vietnam at a Glance

Capital	Hanoi
Government	Single-Party Communist-Socialist Republic
Population	89.71 million (2013)
Area	331,210 km^2 (65th in the world)
GDP	$171.4 billion (2013)



Vietnam
Public Administration Performance Index (PAPI)

Asha Swarup*

1. Country Profile

The Socialist Republic of Vietnam has a single party unitary form of government led by the Communist Party of Vietnam. The country is governed by its National Assembly, which is a unicameral legislative body with 500 members, with a term of five years. The assembly has constitutional and legislative powers and is convened twice a year. In between sessions, it is represented by its standing committees.

The heads of governments are all elected representatives, that is, the President, Prime Minister and Council of Ministers. The President is the head of State, and executive power is vested with the Prime Minister and the Council of Ministers. The National Assembly also elects the Chief Judge of the Supreme People's Court, that is, the highest judicial officer in the country.

The country has a written constitution. The fourth constitution was introduced in 1992 and talks of the state representing 'workers, peasants and intellectuals'. With the introduction of mixed economy in 1990s, there has been a move towards watching the interests of all people. In a population of about 90 million, about 85% belong to the majority ethnic group known as Kinh.

The country has 63 provinces including five centrally-managed municipalities. The government at the central level has 18 ministries and some specialised agencies.

* Former Secretary, Ministry of Information and Broadcasting, Government of India

2. Government Performance Management System

As it transitions towards becoming a middle-income country with higher development indicators, the country is looking forward to a new phase in development. It has now shifted focus to development of institutions and processes that are more responsive to the needs of ordinary citizens including the poor.

At the national level, the Ministry of Home Affairs (MHA) is developing a Public Administration Reform (PAR) Index under the Master Programme for State Administration Reform 2011-2020. It is still in pilot mode and is divided into two different target groups: i) Ministries and ministry-level agencies ii) Provinces and centrally-affiliated cities.

At the ministerial level there are seven areas with 30 indicators and 79 sub indicators. These include PAR management, administrative procedure reform, state administrative apparatus reform, building and improving quality of human resources, innovation of management mechanism for public administration agencies and service delivery units, modernisation of state administration and performance of area management function. The evaluation methodology has incorporated both internal self-assessment by administrative agencies under MHA guidelines and external surveys targeted at leaders, civil servants at state administrative agencies, citizens, enterprises, socio-political organisations etc.

PAR at the provincial level covers eight areas, 32 indicators and 85 sub-indicators. The first six areas are common with the ministerial PAR system. In addition, development and dissemination of legal papers at localities and implementation of one-stop shop and inter-agency one-stop shops is included. It combines assessments from delivery units, citizens/users, enterprises, legislative body members.

In the pilot phase started in 2012, only three Ministries and six provinces have been covered. A standard template is being used, which is something akin to the mandatory items under the RFD system in India. The experience of the pilot is being assessed to fine-tune the areas, indicators and sub-indicators both at the ministry and provincial levels. The entire exercise of the pilot has been conducted with assistance from UNDP.

The system is in the process of evolving and at present there are no monetary incentives linked to performance.

2.1 Vote of Confidence by the National Assembly

The confidence vote in Vietnam is a very powerful tool of assessing government performance. The National Assembly takes a vote on whether they have "high confidence", "confidence", or "low confidence" in the nation's top officials, that is, the President, Prime Minister, and the Ministers etc.

Officials who receive low confidence votes from two-thirds of the house have to face another vote of no-confidence, which is likely to lead to their dismissal. Those who fail to win more than 50% of the confidence vote for two years in a row also face dismissal or are asked to resign.

2.2 Public Administration Performance Index (PAPI)

UNDP, along with some premier academic institutions in Vietnam, has been engaged in the development of the Vietnam Provincial Governance and Public Administration Performance Index (PAPI). PAPI is the most innovative and largest nationwide governance and public administration survey in Vietnam used to measure performance at the provincial level. It is based on citizens' experiences and perceptions.

Launched in 2009 as a pilot in three provinces and extended to 30 provinces in 2010, in 2011, PAPI was conducted in all 63 provinces, covering a total of 207 districts, 414 communes and 828 villages. In 2012 also the survey has been conducted for the whole country. Out of a population of about 90 million, the sample size was 5568 in 30 provinces in 2010, 13642 in all 63 provinces in 2011 and 13,747 citizens in 2012. The dimensions measured were:

a. Participation at local level (This includes awareness of grassroots democracy, opportunities for participation, quality of elections and voluntary contributions)

b. Transparency (This includes information on poverty lists, commune budgets, land use plan and pricing)

c. Vertical accountability (This includes interactions with local authorities, people's inspection boards, community investment boards)

d. Control of corruption (This includes limits on public sector corruption, limits on corruption in service delivery, equity in employment, willingness to fight corruption)

e. Public administrative procedures (This includes certification procedures, construction permit, land procedures and personal procedures)

f. Public Service delivery (This includes public health, public education, infrastructure, law and order)

PAPI is a joint policy-research collaboration between the Centre for Community Support and Development Studies (CECODES) under the Vietnam Union of Science and Technology Associations (VUSTA) and the UNDP in Vietnam since 2009. These work with the close partnership and support of Centre for Theory Work of the Vietnam Fatherland Front from 2009-2010, the Commission for People's Petitions under the National Assembly Steering Committee in 2012 and the Centre for Research and Training of the Vietnam Fatherland Front[1] (VFF-CRT) from 2013.

PAPI is led by a national advisory board of renowned experts on governance and public sector performance. The board – which includes persons from the government, National Assembly and academia -- provides guidance and monitors the process to ensure that the information is consistent and informative.

PAPI is known to be a credible body because of the following:

a. It provides a bottom-up citizen's perspective complementing and supporting traditional state-management monitoring tools, which include 'self assessment' methodologies. The time-series is cutting-edge data which provides policymakers and implementers information on the improvements and deterioration in performance of the provinces and public service agencies. The 2012 report indicates improvement in performance marginally as compared to 2011 in four out of six indicators.

b. It provides insight into citizen concerns and preferences, which help policymakers effectively tailor new policies and consider reforms to meet the needs of citizens. For instance, the revision of the 2003 law on land used PAPI data of citizen's feedback during deliberations in the National Assembly.

c. It has broad-based political support from the National Assembly, Ministries, Departments and provincial governments. PAPI reports are used for votes of (no-) confidence in the National Assembly.

d. It also has support from a wide range of stakeholders, such as the Political Academy, National Assembly delegates, people's councils, NGOs and donor agencies. The PAPI data serves as a key governance and public service delivery monitoring tool for implementation of the One UN Plan 2012-16.

e. It works constructively with the media to disseminate information in a transparent, balanced and informative way.

f. PAPI's state-of-the-art methodology provides a model for others to follow in the country and outside the country.

g. Its results and findings are easily accessible.

Gradually, the Government of Vietnam is evolving its own system of Government Performance Management. Although it is not clear as to how much of the PAPI indicators of citizen responses will form part of the government performance management system, but the Provincial Governance and PAPI reports have definitely created an appetite in the country vis-à-vis getting a bottom-up view of governance. The PAR index is also being developed with support from UNDP and as such there is a hope that a number of parameters included in the PAPI report will also become part of the GPM in Vietnam in the years to come.

3. Comparison with India

3.1 Between Vietnam and India, the first thing that comes through as common, is that both the Governments are keen to have innovative approaches to measure performance, monitor progress and improve provision of public goods. In Vietnam, PAPI is an independent but complementary assessment to government performance management. The RFD and MOU systems in India are also aimed at measuring performance of Ministries and enterprises, but in-house. There are, in addition, evaluation of major programs taken up by the ministries through academic institutions, consultants and civil society organisations.

3.2 There are, however, also dissimilarities between the systems of both countries. RFD, the Indian system of Government Performance Management, is totally developed in-house by the Performance Management Division in the Cabinet Secretariat and the MOU system by the Department of Public Enterprises. The vision, mission, objectives and success indicators are finalised by the concerned Ministries/PSUs. They decide about the inter se priorities and the weights to be assigned to each objective and success indicator. There is a peer review of the targets set by the Departments/Ministries/PSU. It is a robust system as the ownership is totally of the concerned department/ministry or PSU. The PAR in Vietnam, on the other hand, is being set up with support from UNDP.

3.3 The PAR system is being developed by the Government of Vietnam with support from the UNDP. It is still at the pilot stage. The PAPI Reports, which measure citizen's experiences and perceptions across 63 provinces are external surveys/research projects undertaken by the Centre for Community Support and Development Studies (CE CODES), VFF-CRT and UNDP. It is an initiative taken by agencies outside the government, under the aegis of the Government of Vietnam. The PAPI reports, however, have been widely accepted by the National, and provincial Governments, National Assembly delegates, academia, NGOs and donor agencies. The involvement of two academic institutions of Vietnam Fatherland Front with the UNDP exercise offer hope that the external surveys of the PAPI methodology will continue to take place even after the UNDP moves out of the equation.

3.4 The RFD system, however, does not assess the performance of the states on the basis of citizen or beneficiary's perceptions. At present there are two ways of assessing performance of the states. India has the Ministry of Programme Implementation, annually ranking the states on performance in implementation of the 20 Point Programme. We also have ministries and Departments farming out evaluation studies on important national programs to various outside agencies including academic institutions,

consultants/consulting agencies, NGOs to assess implementation of the programs in various states and capture the beneficiary/citizen perceptions. As far as third-party assessment of performance of states is concerned, media houses have been getting surveys done and bringing out rankings of the states in respect of performance in agriculture/ industry/tourism, infrastructure development, investments attracted to the state, environment protection etc. But there has been no nationwide survey to capture transparency, control of corruption, accountability, public service delivery, participation at local levels, informal payments etc. based on citizen's perceptions as is done under the PAPI in Vietnam.

3.5 PAPI results comparing performance of provinces in Vietnam are in the public domain and are subject of discussion in the political arena, media, government and amongst the citizens. The RFD results, on the other hand, are made available as part of annual reports of the concerned ministries and placed in the Parliament. There is no analysis available for all the Ministries in one document to lead to a healthy debate on comparative performance. Only some states, who have implemented the RFD system, have issued such a comparative assessment of government departments.

4. Lessons for India

India can draw valuable lessons from the Vietnamese system. Such as:

4.1 PAPI, as a tool for getting citizen and beneficiary responses, has now been well developed and is being adopted by other countries as well. The PAPI model is to be replicated in Thailand for the Provincial Governance Index. India would do well to consider using similar methodology for improving delivery and aligning the programs with people's needs and satisfaction. We could consider capturing responses of citizens/beneficiaries on government's performance for major national programs where there is large transfer of funds to the states such as MNREGA, National Rural Health Mission, *Sarva Shiksha Abhiyan*, to name a few. These could complement the RFD system.

4.2 In fact during the wrap-up discussion there was a consensus that client/ customer survey to assess frontline delivery should complement the RFD system.

4.3 PAPI is capturing the outputs/outcomes and not inputs as is the case for most other GPM systems including to some extent RFD in India. There has to be a greater focus on outputs and outcomes in the RFD system.

4.4 The PAPI experience indicates that the time series data helps capture the trends and identify areas of improvement, which could be used for course correction, policy changes and making further improvements in implementation. As of now, RFD data is not being used for this kind of analysis. As the time series data builds up, this kind of exercise needs to be undertaken by all Ministries.

4.5 The provincial rankings under PAPI create healthy competition amongst provinces to improve performance. Many provinces have come up with action plans for making improvements. Even in India, the 20 Point Programme rankings for states creates a healthy competition. The practice of ranking states needs to be extended to all major national programs.

4.6 We need to develop a PAPI type of index in order to capture public satisfaction in delivery of services, control of corruption, transparency, accountability etc.

4.7 There is a need to involve the political executive in the whole RFD exercise by issuing comparative performance of ministries and placing it in the public domain as is the case in Vietnam. Even taking the comparative analysis to the Cabinet as a first step will give the necessary push to the RFD system.

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[1] Vietnam Fatherland Front (VFF) is an umbrella group of pro-communist movements. It is a voluntary mass organisation of political, socio-political and social organisations and individuals from all classes, social strata, ethnic groups and religions



Country Experiences at-a-Glance



Government Performance Management
Country Experiences at-a-Glance

Joanna Watkins*

Country	Key Institutional Actor	Main Performance Approach(s) discussed	Main take aways/lessons
Australia	Department of Finance (DoF)	Previous Performance Framework: Outcome & Outputs Framework (1996 – 2007). Current: Performance Agreements (Intergovernmental Agreement on Federal Financial Relations)	Results from the previous Outcome and Output Framework: • Framework information does not appear to have been used for policy development • Framework information was often not used for internal management • External reporting was weakened significantly • Unclear results; a majority of agencies with purchaser provider arrangements did not report performance information on them publicly • Understanding results chains - There were poor logical links between many outputs and outcomes • Agencies did not use common performance indicators insufficient measurement of efficiency and effectiveness • Departments and agencies had no shared outcomes

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Country	Key Institutional Actor	Main Performance Approach(s) discussed	Main take aways/lessons
Brazil	(State level) Gabinete de Secretário de Estado Extraordinário de Gestão Metropolitana (SEGEM)	Combination of performance agreements, incentives, and organisational enhancements	• Penetrate downwards to operational levels • Too many indicators; required simplification • Unify or integrate M&E units • Expand and intensify evaluation • Make OSCIP partnership model more robust • Optimise and align organisational structures • Develop anti-gaming intelligence • Promote a management shock in public enterprises
Canada	Treasury Board Secretariat	Management Accountability Framework (MAF), and Results Based Management • Programme Alignment Architecture (PAA) • Performance Measurement Framework (PMF)) Programme Evaluations Strategic Review	• Senior civil servants are eligible for performance pay (10%) • All evaluations are made public (170 evaluations/year) • The Management Accountability Framework (MAF) analyzes both management practices (compliance) and results that you are achieving. MAF ratings have improved over time. • The current system required a large investment of time and energy in getting the underlying budget architecture and programme architecture in place

Country	Key Institutional Actor	Main Performance Approach(s) discussed	Main take aways/lessons
Indonesia	President's Office	Delivery Unit – UKP4	• A vision needs to translate into measurable action. • Government work must matter to a person and a location • Social network helps to foster transparency and participation • Better to not be hierarchical but build a network of information for action • Recognition of the importance of tracking a limited set of outcomes to enhance the relationship between the government and citizens • Performance monitoring is seen in tandem with de-bottlenecking problems in delivery and in open government/public participation • Recognition that the root cause of many of the problems is coordination • Extensive use of technology to facilitate monitoring (GPS coordinates, social media)
Kenya	Prime Minister's Office, Public Sector reform and Performance Contracting Unit	Performance Contracts (2004), Citizen Service Charters Client satisfaction surveys	• Clear alignment between national plans and cascaded • Emphasis on citizen feedback • Importance of pre-negotiation phase • Use of external evaluators

Country	Key Institutional Actor	Main Performance Approach(s) discussed	Main take aways/lessons
Malaysia	Ministry of Finance	Outcome-based Budgeting	• Everyone needs to understand the model • Top management involvement critical • Purposeful and Managed Data Collection • Data Integrity (GIGO); with strong integrity your data will be your biggest asset • Ability for Data Analysis; Business Intelligence skills • Set a Culture of Continuous Improvement; it drives purposeful ongoing innovation and change • Outcome-based Accountability; as opposed to activity-based accountability • Performance information must be demand drive • Budget officers need to be trained in performance management

Country	Key Institutional Actor	Main Performance Approach(s) discussed	Main take aways/lessons
Republic of Korea	Ministry of Strategy and Finance	Outcome Budgeting Government Policy Evaluation Framework Act	• Consider setting specific targets for budget reshuffling, in order to secure fiscal space where PI can be more directly used • Consider focusing on selective areas/programs that are important and easily subject to performance budgeting at the initial stage of reforms • Consider moving beyond performance indicators and targets, particularly if outcome indicators are used • Outcome indicators need interpretation to be used in decision-making purpose due to external factors • Consider developing programme review process to have more systematic performance information, unless communication between central budget authority and line ministries are easily facilitated • Consider using output indicators in some areas • Capacity building is important • Location of evaluation unit is important. • Develop proper incentive scheme for line ministries (flexibility of management, sanctions for poor performance)

Country	Key Institutional Actor	Main Performance Approach(s) discussed	Main take aways/lessons
Republic of South Africa	Prime Minister's Office	12 National Priorities, Evaluations, Management Performance Assessment, Front line service delivery M&E	• The importance of consistent communication with users, continuous training on the use of models, improves relations and buy-in for the use of these models (Outcomes and MPAT) • Documenting experience that emerge from the application of tools, enhances shared learning and ease of improvement/ adjustment of tools • Creating a culture of partnership and support, builds ownership and interest in the use of the tools • More discipline and commitment in the application of legislation and prescripts, and improved knowledge of users of these prescripts (MPAT) • Improved understanding of the need to develop more impact indicators and improve the lives of the citizens
United Kingdom	Prime Minister's Office (Prime Minister Delivery Unit)	Prime Ministry Delivery Unit, Public Service Agreements (PSAs), Multi-year Delivery Plans Focus on better outcomes and value for money	• Linked with results-based budgets, • Attention to unblocking delivery obstacles, • Theme-based rather than Department-based, as important outcomes often cross-departmental boundaries; creates difficulties when delivery costs and benefits arise in different departments Too many targets needed simplification • Growing devolution in transition from big government to big society

Country	Key Institutional Actor	Main Performance Approach(s) discussed	Main take aways/lessons
United States of America	Office of Management and Budget	Government Performance Results Act (GPRA) and modernisation of GPRA	• Previous GPRA: Departmental focus of GPRA reinforced siloed approach to achieving outcomes; GPRA did not result in change, but added reporting requirements • GPRAMA (modernisation of the Act) seeks a broader approach through identification of organisations, programme activities, regulations, policies, and other activities that contribute to each performance goal, both within and external to the agency. • Agencies must also describe interagency collaboration to achieve agency and federal government goals. • Framework for senior executive performance agreements revised to include expectations that focus on measurable outputs and outcomes clearly aligned to organisational goals. Affects SES bonuses. • Goals-Engagement-Accountability-Results (GEAR) being piloted by five agencies can be used to link individual employee performance to organisation goals but lacks pay for performance. • Leadership should use quarterly performance reviews as strategy to hold responsible officials accountable for addressing performance problems and identifying strategies for improvement.

Country	Key Institutional Actor	Main Performance Approach(s) discussed	Main take aways/lessons
Vietnam	External	Provincial Governance and Public Administration Performance Index-PAPI measures how citizens experience implementation of policies, laws and regulations	• International benchmarking of indicators • Governance and Public Administration measured by 'self-assessments' – subjective and 'input' oriented • Monochromatic understandings of provincial performance – one metric for all 63 provinces • 'Flipping-the-coin' and looking at citizens' experiences and interactions as 'outputs'

Annexures

Annexure A:

Global Roundtable Concept Note

1. Background

No civilised society can function effectively without an effective government. All countries use government as a mechanism to provide services that benefit all citizens: police, judicial services, national defense, and municipal services. Government also serves as a means of making some of the most important collective decisions on: the nature of the health system, education system, water and sewage system, roads and highways system. Given this pervasive nature of government, its performance has a direct bearing on the welfare of citizens.

Enhanced government effectiveness not only affects the welfare of citizens in the short-run but also in the long-run. In the increasingly globalised world, government effectiveness is the key determinant of a country's competitive advantage. Experts agree that in the long-run, race among nations will be won or lost not on the basis of comparative advantage arising from resource endowment, but by the competitive advantage created by effective governments.

This *Roundtable on Government Performance Management* is inspired by our belief that returns from improving effectiveness of the government are immense. Further, we believe that the majority of these benefits accrue to the socially and economically-weaker sections of our society. Hence, we do not believe that there is a trade-off between efficiency and equity. Extra effort spent on improving government efficiency is likely to do more good on the margin than spending it on a programme that does not work effectively.

Both federal and state governments around the globe are under increasing pressure to provide results that matter to the public, often within severe resource constraints. At the same time, government officials and managers are challenged to overcome the public's lack of trust in governments at all levels. Thus, this is the time for governmental leaders to ensure that the organisations they lead are taking responsibility for achieving results that matter to the public – by implementing effective government performance management systems.

In India a *Performance Monitoring and Evaluation System (PMES)* for Government Departments was initiated by the Government of India (GOI) in September 2009 with a view to assess their effectiveness in achieving their stated objectives. The centrepiece of this policy is *Results-Framework Document (RFD)*.

A Results-Framework Document (RFD) is essentially a record of understanding between a Minister representing the people's mandate, and the Secretary of a Department responsible for implementing this mandate. This document contains not only the agreed objectives, policies, programs and projects but also success indicators and targets to measure progress in implementing them. To ensure the successful implementation of agreed actions, RFD may also include necessary operational autonomy. It attempts to shift the focus of the departments from input and rule based to results–based approaches.

The RFD seeks to address three basic questions: (a)What are the ministry's/ department's main objectives for the year? (b) What actions are proposed by the department to achieve these objectives? (c) How would someone know at the end of the year the degree of progress made in implementing these actions? That is, what are the relevant success indicators and their targets which can be monitored?

The Performance Management Division (PMD), Cabinet Secretariat, was established by the Government of India with a mandate to roll out the PMES. Today PMES/RFD policy covers 80 departments of the Government, and some 800 Responsibility Centres under them. In addition, 17 states of the Indian union are at various stages of implementing RFD policy. During the past four years of implementation, PMES has established itself as a system that takes a comprehensive and unified view of each department's/ ministry's overall performance.

As a part of the PMES/RFD policy, various initiatives like Citizen's/ Clients Charter, Computerised Grievance Redress Mechanism, ISO 9001 implementation in government departments, innovation eco-system in the Government, etc. have also been introduced.

For more information on PMD, PMES, and RFD, please visit: *www.performance.gov.in*

2. Participants

2.1 Speakers

The Global Roundtable is intended to be a primarily a dialogue among experts and decision-makers from across the world. We expect speakers/

experts/practitioners from following countries: Brazil, South Africa, Canada, USA, Kenya, United Kingdom, Malaysia, Singapore, Korea, Philippines, and Australia.

2.2 Audience

The roundtable was attended by around 250 participants. The audience will consist of senior officers from Central and State Government, senior managers from Public Enterprise, distinguished academicians, members of the think tanks, and experts involved in implementing performance management system at federal and state levels. We also expect international participation from officials interested in implementing GPM in their countries.

While there is no participation fee, the participation in the Global Roundtable is by invitation only.

3. Issues

The Roundtable is intended as a learning exercise for improving government performance management and practices in India. Thus the focus would be on comparative analytics. Each expert would be expected to describe the government performance management system in their country, comparing and contrasting it with the Indian system and practices. Each country expert would be expected to address following issues:

a. When and why was the government-wide performance management system implemented? Has it survived political transitions?

b. What is the current coverage of the government performance management (GPM) system?

c. What is the main objective of the GPM?

d. What aspects of government performance are evaluated?

e. What is the methodology for performance evaluation?

f. What is the annual process for implementing GPM?

g. What is the institutional mechanism for implementing GPM? Who does what?

h. What are the consequences of performance evaluation results? Is there an incentive system linked to GPM?

i. What has been the impact of the system? Any impact evaluation done?

j. What are the plans for improving GPM?

k. How does it compare and contrast with the Indian PMES/RFD system?

4. Structure

4.1 Overall Structure

The following table presents the overall structure of the Global Roundtable.

Date	Time	Agenda
December 11	9:30 AM – 5:30 PM	**Global Roundtable**
	6:00 PM – 8:00 PM	Reception for Roundtable Participants
December 12	9:30 AM – 5:30 PM	**Global Roundtable**

4.2 Structure of each session

Each session will be 90 minutes long and will typically have the following structure:

Time	Item
20 minutes	Presentation on Country A
20 minutes	Presentation on Country B
10 minutes	Discussant for Country A
10 minutes	Discussant for Country B
30 minutes	Questions & Answers

5. Objectives

The Global Roundtable has the following major objectives:

a. Take stock of global best practices in Government Performance Management (GPM)

b. Contribute to literature on comparative analytics in the area of GPM.

c. Document the state-of-the art in GPM

d. Identify potential areas of improvement in the Indian GPM

e. Create a global community of practice for GPM

6. Organisation

The Global Roundtable is being organised by the Institute of Public Enterprise (IPE) in collaboration with the Performance Management Division (PMD), Cabinet Secretariat, Government of India, under the auspices of Community of Practice GO-PEM-PAL (Government Performance Management Peer Assisted Learning). It is sponsored by the United Nations Development Programme (UNDP) and the World Bank.

6.1 About Performance Management Division (PMD), Cabinet Secretariat

The President of India, in her address to the Joint Session of Parliament on June 4, 2009 had inter-alia, outlined 13 important measures that the Government would initiate in the next hundred days. One of the measures announced included 'Establishing a mechanism for performance monitoring and performance evaluation in Government on a regular basis'.

Pursuant to this announcement, in September 2009, the Prime Minister approved the outline of a *Performance Monitoring and Evaluation System (PMES)* for government departments with a view to assess their effectiveness in their mandated functions. It involves preparation of a Results-Framework Document (RFD) by each department every year, highlighting its objectives and priorities for the financial year and achievements against pre-specified targets at the end of the year.

For more details, please visit, *www.performance.gov.in*

6.2 About GO-PEM-PAL

An International Workshop on Government Performance Management was held in New Delhi, India from July 1-12, 2013, organised by the Institute of Public Enterprise (IPE) in collaboration with Performance Management Division (PMD), Cabinet Secretariat, Government of India. During this workshop, it was decided that a Community of Practice (CoP) on Performance Management would be established comprising of the participants of the workshop. Subsequently, it was decided to expand the membership and include all practitioners interested in Government Performance Management. This CoP is called Government Performance Management Peer Assisted Learning (GO-PEM-PAL).

For details visit *www.performance.gov.in*

6.3 About IPE

The Institute of Public Enterprise (IPE), Hyderabad is a non-profit educational society established in 1964. It is devoted to education, training, research and consultancy for business enterprises in the public and private sectors. IPE is the premier Business School at Hyderabad and is recognised as a 'Centre of Excellence' by the Indian Council of Social Science Research (ICSSR), Ministry of Human Resource Development, Government of India, for doctoral studies. It has also been recognised by eight universities in India for guidance of Ph D scholars. It has developed strong linkages with the industry and academic institutions and is the founder member of the Association of Indian Management Schools (AIMS) and is also the member of Confederation of Indian Industry (CII) and Computer Society of India (CSI).

Annexure B:

Global Roundtable Agenda

Day 1: Wednesday, December 11, 2013

Time	Activity
08:00 AM – 08:50 AM	Registration
09:15 AM – 10:00 AM	**Inaugural Session** • Welcome and Introduction to Roundtable Prajapati Trivedi, Secretary (Performance Management) • Inauguration **Shri Ajit Seth** **Cabinet Secretary. Government of India** • Vote of Thanks: R. K. Mishra, Director, Institute of Public Enterprise
10:00 AM – 10:45 AM	**India** *Speaker:* **Prajapati Trivedi** Secretary (Performance Management) *Discussants:* 1. **Sumeeta Banerji** Assistant Country Director and Head (Democratic Governance) UNDP 2. **Ronald Lomme** Governance Advisor, South Asia Governance and Public Sector Unit, World Bank
10:45 AM – 11:15 AM	Tea /Coffee Break
11:15 AM – 12:45 PM	**Brazil** *Speakers:* 1. **Alexandre Kalil Pires** Deputy Secretary, Public Management, Brasilia, Brazil 2. **Humberto Falcao Martins** Director, Instituto Publix, Brasilia, Brazil

Time	Activity
	Discussants: **1. Pawan Chopra** (IAS RJ: 67) Former Secretary, Information and Broadcasting, GOI **2. Madhav Lal** (IAS J&K: 77) Secretary, Micro, Small and Medium Enterprises **3. J. Sathyanarayan** (IAS AP: 77) Secretary, Electronics and Information Technology, GOI
12:45 PM – 01:45 PM	Lunch Break
01:45 PM – 03:15 PM	**Kenya** *Speaker:* **Richard Ndubai** Former Permanent Secretary, Performance Contract, Cabinet Office, Office of the President, Kenya *Discussants*: **1. S. P. Jakhanwal** (IAS BH: 63) Former Secretary, Coordination, Cabinet Secretariat, GOI **2. Zohra Chatterji** (IAS UP: 79) Secretary, Textiles, GOI **South Africa** *Speaker:* **Tumi Mketi** Deputy Director General, Department of Performance Monitoring and Evaluation, The Presidency, South Africa *Discussants:* **1. Shyamal Ghosh** (IAS GJ: 65) Former Secretary, Information Technology, GOI **2. Sanjay Kothari** (IAS HR: 78) Secretary, Pension and Pensioners' Welfare, GOI
03:15 PM – 03:45 PM	Tea/Coffee Break

Time	Activity
03:45 PM – 06:00 PM	**United Kingdom & United States of America** *Speakers:* **1. Ray Shostak** Former Head, Prime Minister's Delivery Unit, UK **2. JitinderKohli** Former Head of Productivity and Structure Reform in, Her Majesty's Treasury, UK **3. Elizabeth Curda** Assistant Director, Strategic Issues, Government Accountability Office, USA *Discussants:* **1. K. Padmanabhaiah** (IAS MH: 61) Former Secretary, Home, GOI **2. Radha Singh** (IAS BH: 69) Former Secretary, Agriculture, GOI **3. R. K. Mishra** Director, Institute of Public Enterprise (IPE), India **4. Parvez Dewan** (IAS J&K: 77) Secretary, Tourism, GOI **5. Gauri Kumar** (IAS GJ: 79) Secretary, Labour and Employment, GOI
	Discussion & Wrap-Up *Speakers:* **1. Achim Von Heynitz** Formerly Strategy and Policy Adviser, Chatham House and Vice President EBRD **2. Joanna Watkins** Co-Leader, Public Sector Performance Global Expert Team, The World Bank

Day 2: Thursday, December 12, 2013

Time	Activity
09:15 AM – 10:45 AM	**Indonesia** *Speaker:* **Heru Prasetyo** Deputy Head of Indonesia President's Delivery Unit, UKP4 Office, Indonesia *Discussants*: **1. Arun Kumar** (IAS KL: 65) Chairman, National Pharmaceuticals pricing Authority, India **2. Siraj Hussain** (IAS UP: 79) Secretary, Food Processing Industries, GOI **Korea** *Speaker:* **Nowook Park** Founder, Centre for Performance Evaluation & Management, Korean *Discussants:* **1. Anil Kumar** (IAS RJ: 65) Former Secretary, Textiles, GOI **2. TCA Anant** Secretary, Statistics and Programme Implementation, GOI
10:45 AM – 11:15 AM	Tea/Coffee Break
11:15 AM – 12:45 PM	**Global Perspective** *Speakers:* **1. William Dorotinsky** Co-Leader, Public Sector Performance Global Expert Team, The World Bank **2. Lisa Grande** Resident Representative, UNDP *Discussants:* **1. Anil Razdan** (IAS HR: 73) Former Secretary, Power, GOI **2. Vibha Puri Das** (IAS UL: 76) Secretary, Tribal Affairs, GOI **3. Rajiv Mehrishi** (IAS RJ: 78) Secretary, Fertilisers, GOI
12:45 PM – 01:45 PM	Lunch Break

Time	Activity
01:45 PM – 03:15 PM	**Malaysia** *Speaker:* **Koshy Thomas** Head, Outcome-Based Budgeting Ministry of Finance, Malaysia *Discussants*: 1. **Yogendra Narain** (IAS UP: 65) Former Secretary, Coordination, Cabinet Secretariat, GOI 2. **Sangita Gairola** (IAS RJ: 77) Secretary, Ex-service's Welfare, GOI **Vietnam** *Speaker:* **Jairo Acuna-Alfaro** Policy Advisor, Public Administration Reform and Anti-Corruption, UNDP, Vietnam *Discussants:* 1. **Asha Swarup** (IAS HP: 73) Former Secretary, Information & Broadcasting, GOI 2. **P Gopinath** (IPS: 77) Secretary, Post, GOI
03:15 PM – 03:45 PM	Tea/Coffee Break
03:45 PM – 05:15 PM	**Australia** *Speaker:* **Roger Beale** (TBC) Chairman, Australia Public Service Commission, Australia *Discussant:* **Vinod Vaish** (IAS MH: 66) Former Secretary, Telecom, GOI **Canada** *Speaker:* **Roger Scott Douglas** Secretariat on Performance Measurement and Productivity, Treasury Board, Canada

Time	Activity
	Discussants: **1. S. Sathyam** (IAS MP:61) Former Secretary, Textile, GOI **2. Bharat Bhushan** (IAS KL: 79) Chief Secretary, Government of Kerala
	Discussion & Wrap-Up *Speakers:* **1. Achim Von Heynitz** Formerly Strategy and Policy Adviser, Chatham House and Vice President EBRD **2. Joanna Watkins** Co-Leader, Public Sector Performance Global Expert Team, The World Bank

Annexure C:
Profiles



1. Authors/Discussants

Anil Kumar is a 1965 batch Indian Administrative Service (IAS) officer from Rajasthan cadre. During his long career in The services, he held many positions of responsibility and rose to the level of Secretary to Government of India. In that capacity he served as Secretary, Department of Fertilisers; Secretary, Department of Telecom and Chairman of Telecom Commission; and Secretary, Ministry of Textiles. Mr. Anil Kumar had also served as Minister (Economic) in the Embassy of India, Washington, DC, USA (1988-1991). Mr. Anil Kumar served as Secretary to Vice President of India (2002-2007). He has been associated with PMD as a Member of ATF for four years.

Anil Razdan is a 1973 batch Indian Administrative Service (IAS) officer from Haryana cadre. He was Secretary, Power and Special Secretary/Additional Secretary Petroleum and Natural Gas to the Government of India. He has worked as Joint Secretary Power, Director Energy Management Centre (now Bureau of Energy Efficiency) and Director/Joint Secretary Atomic Energy, Government of India. He was Principal Secretary to the Government of Haryana. An alumnus of St. Stephen's College, University of Delhi in Physics, and Law Faculty, Delhi University, Mr Razdan is also a recipient of Hiralal Daga Gold Medal in Law. He has also been a Visiting Fellow at the University of Oxford for Energy and Sustainable Development: Global and Indian Perspectives. He represented India at various international energy for a like IEA and CSLF. He chaired a global study on Energy for Megacities by the World Energy Council, and is Scientific Consultant for Energy Technologies to the Office of the Principal Scientific Adviser to Government of India and Independent Director, Hindustan Petroleum Corporation Ltd., Power Trading Corporation of India, Minerals and Metals Trading Corporation. He is Chairman, Energy and Environment Foundation and Centre for Smart Grid Collaborative Research & Development, and member of the Permanent Monitory Panel on Energy of the World Federation of Scientists, Erice, Italy. He won the Leading Energy Personality Award, India Power Awards 2012. He is an eminent and sought after international energy expert, writer and consultant.

Arun Kumar is a 1965 batch Indian Administrative Service (IAS) officer from Kerala cadre. Prior to joining the government he was commissioned in the Indian Army, corps of Electrical and Mechanical Engineering. He holds a bachelor's degree in Engineering from IIT Kharagpur. He retired as the

Chairman, National Pharmaceutical Pricing Authority. Prior to this he held many senior positions in the Indian Government: Additional Secretary, Ministry of Water Resources, Secretary to GOI, Chairman, Central Groundwater Board, Principal Secretary, Power, Government of Kerala.

Asha Swarup is a 1973 batch Indian Administrative Service (IAS) officer from Himachal Pradesh cadre is a retired Indian Administrative Service (IAS) officer. During her service career spanning 37 years, she held senior positions at the level of Central Government and in the State of Himachal Pradesh. At the Government of India level she has been Secretary in the Ministry of Information and Broadcasting, Additional Secretary and Financial Adviser in the Ministries of Commerce and Textiles, Joint Secretary in the Ministries of Rural Development and Human Resource Development. She has also served the Planning Commission. At the State Government level she has been Chief Secretary in the northern state of Himachal Pradesh and has served as Principal Secretary Finance, Power, Home, Health and Planning. Post retirement she has been closely associated with the Government Performance Management System as the member of the Adhoc Task Force for the RFDs of the Ministries of Government of India, State Governments and MOUs of Public Sector Enterprises.

K Padmanabhaiah is a 1961 batch Indian Administrative Service (IAS) officer from the Maharashtra Cadre. After holding important assignments in the Government of Maharashtra including the prestigious post of Municipal Commissioner, Greater Bombay and Finance Secretary, Maharashtra, he joined Government of India. He held the posts of Minister Economic in the Indian High Commission, London; Secretary to the Government of India in the Department of Urban Development and Housing and in the Department of Civil Aviation. He worked for a brief period as common Chairman of both Air India and Indian Airlines. In June 1994 he was appointed as the Union Home Secretary and as Secretary to the Department of Jammu & Kashmir Affairs and Secretary, Department of Justice. After retirement in 1997, he had been appointed on a special assignment as Representative of Government of India for Peace Talks with the Naga underground leaders, a post he continues to hold. Shri Padmanabhaiah chaired a number of government committees including the Earthquake Relief and Rehabilitation Committee of Government of India after the Latur Maharashtra earthquake and the Police Reforms Committee of Government of India. He is recipient of a number of awards for public service and outstanding administration from various civil society organisations. He is the recipient of many awards including Gaint's International Award for Excellence in Civil Administration 1991, Priyadarshini Academy's "Public Service" Award 1996, and the Shiromani Award for Contributions towards National Development, Integration and Enrichment of life. In 2008, he received the prestigious "Padma Bhushan" in 2008 for his outstanding efforts as a civil servant of the nation.

Pawan Chopra is a 1967 batch Indian Administrative Service (IAS) officer from Rajasthan cadre, served in the Service from 1967-2004. He has had a distinguished career spanning almost four decades with the Government of India. He is former Secretary, Ministry of Information & Broadcasting and was also Additional Secretary, Cabinet Secretariat among other key portfolios in a broad range of industries and ministries. His experience includes responsibility for policy coordination and approvals in various infrastructure sectors including telecom, power, ports and highways. He has had extensive hands-on experience relating to economic reforms and development, particularly in the areas of trade, foreign direct investment, privatisation, the design and installation of regulatory frameworks and arbitration for dispute resolution.

Prajapati Trivedi is Secretary to the Government of India with the responsibility for Performance Management. Based in the Cabinet Secretariat, he reviews and reports on the performance of all government departments to the Cabinet Secretary/Prime Minister. In addition, he is Chairman of the National Authority for Chemical Weapons Convention. Prior to joining the Government of India, Dr. Trivedi worked for fourteen years (1994-2009) as a Senior Economist for the World Bank in Washington, DC. This is his second stint in the Government. Dr. Trivedi was Economic Adviser to Government of India from 1992-94. A distinguished academician, Dr. Trivedi was STC Chair Professor of Public Sector Management and Director of the Centre for Public Enterprise Management at the Indian Institute of Management Calcutta (IIMC) from 1987-1992. Starting his career as an Economics faculty member of the prestigious St. Stephen's College in 1974, he continues to be a visiting faculty at Harvard University's John F. Kennedy School of Government. In addition to other leading universities of the World, he has taught at Harvard University on a regular basis since 1979. Dr. Trivedi studied at St. Stephen's College (BA Economics Honours), London School of Economics (M. Sc. Economics) and Boston University (Ph.D. Economics). He has worked in more than 25 countries of the World and published five major books on various aspects of public sector management and privatisation. One of his books is used as an Economics textbook at Harvard University.

Radha Singh is a 1969 batch Indian Administrative Service (IAS) officer from Bihar cadre. She is the Agriculture Advisor to FICCI, Chairperson of Madhavpura Mercantile Bank, Ahmedabad and Trustee and Secretary of Rajendra Bhawan Trust, New Delhi. Ms. Singh has spent over39 years in public service in areas of rural and agriculture development, water resources, public finance and institution building. In her capacity as Agriculture and Cooperation Secretary, she also headed various organisations as Board Member/Chairperson. Before her retirement from the IAS, Ms Singh was Agriculture and Cooperation Secretary of Government of India, among other

high-level policy and managerial positions within the government. She worked with the World Bank in Washington D.C, as an Institutional Specialist and other capacities for six years (1993-1998). Ms. Singh is on the Board of YES Bank Ltd. and LT Foods Limited, and served as Additional Director of LT Foods Ltd. from January 29, 2010 to October 5, 2010. Ms. Singh holds Masters in Public Policy and Administration from Harvard University, and MA in Social Science and Political Science from University of Delhi, India.

Ram Kumar Mishra is Director, Institute of Public Enterprise, Hyderabad, India. He graduated from the International Management Programme, SDA Bocconi, Milan, Italy. He has been a fellow of the British Council and the Commonwealth Secretariat. He has been working on key assignments with Indian Government including Ministry of Finance, Ministry of Power, Ministry of Trade and Commerce, Ministry of Heavy Industry and Public Enterprises, and Ministry of Finance (Department of Disinvestment). He has also been a researcher for Planning Commission. Finance Commission, Prime Minister's Economic Advisory Council, State Bureaus of Public Enterprises, Financial Institutions and Banks. He is on the Boards of Govt of India Enterprises viz., Mishra Dhatu Nigam Limited, Fertilizers and Chemicals Travancore Limited and Non Ferrous Materials Technology Development Centre. He has also worked extensively with International organisations including OECD, United Nations University - World Institute for Economic Development Research, International Civil Service Consortium. Prof. Mishra has supervised more than 50 doctoral researchers from several Universities in the areas of Public Administration, Management, Economics, and Commerce and trained In-service officers both from government and industry for the past three decades. His current areas of interest include Corporate Finance, Corporate Governance, International Management, Management Controls, Management Education, Infrastructure Development, Restructuring, Economic Reforms, Social Sector Management, Good Governance and Economic Environment.

Shyamal Ghosh is a1965 batch Indian Administrative Service (IAS) officer from Gujarat cadre. He is an MA Economics from Kolkata University and also MPA, Woodrow Wilson School of Public and International Affairs, Princeton University which he did on a Parvin Fellowship. Mr. Ghosh has held various senior positions in the Government of Gujarat and Government of India. He was the Chairman of Telecom Commission and Secretary, Department of Telecommunications, Government of India from 2000 to 2002 when he retired from the services. He was Administrator, Universal Service Obligation Fund, and Department of Telecommunications during 2002 to2005. Presently Mr. Ghosh is on the boards of Span Diagnostics Ltd., Burn Standard Co. Ltd, Spentex Industries Ltd., Quippo Telecom Infrastructure Ltd., and Data Security Council of India (DSCI).

S. P. Jakhanwal is a 1963 batch Indian Administrative Service (IAS) officer from Bihar cadre. He holds an MSc from India and a Masters in Public Administration from the Institute of Social Sciences (ISS), The Hague, the Netherlands. His thesis at ISS was on "Organisational Implications of Quantitative Techniques of Decision Making". Subsequently, he also obtained a certificate/diploma from the then EDI of the World Bank and University of Connecticut (USA). He has been trained at prestigious institutions like: Staff College of India, Hyderabad; Tata Management Institute, Pune; TERI, New Delhi; Human Settlement Management Institute, New Delhi. He has delivered lectures extensively at IHS, Rotterdam; ISS, The Hague; SCI, Hyderabad; LBSNAA, Mussoorie; National Institute of Financial Management, CFC- Centre for Governance; etc. He served at senior policy levels both at state and central government levels in India. At the Centre, he was Secretary (Coordination) in Cabinet Secretariat and in the Ministry of Food. After retiring from the Indian Administrative Service, he worked as Professor and Director General in the faculty of Urban Management in Amity University. He guided Ph.D. scholars. Mr Jakhanwal has received numerous awards for his outstanding contributions including(a) Press India Award (b) National Citizen Award (c) IBC Lifetime Achievement Award. He has been convenor of ATF to deliberate on MOUs and RFDs of Central Public Sector Enterprises (CPSEs) and the ministries of GOI and state governments for implementing PMES in India.

S. Sathyam is a 1961 batch Indian Administrative Service (IAS) officer from Madhya Pradesh cadre and served in Services from 1961-2004. He is the former Secretary, Ministry of Textiles and Department of Statistics and also held position of Special Secretary, Ministry of Home Affairs among other key portfolios in broad range of industries and ministries. He also served as Chairman of the Tariff Authority for Major Ports, Ministry of Shipping ; Member –Secretary of the National Commission for Persons with Disabilities, Ministry of Social Justice and Empowerment. He has extensive hands-on experience relating to educational reforms under Ministry of Human Resource Development. He is engaged in Public Service for over 50 years and received many accolades. Mr Sathyam holds degrees such as M.A. (Economics), Diploma in Personnel Administration from London School of Economics and Law from Madras University.

Vinod Vaish is a 1966 batch Indian Administrative Service (IAS) officer from Chhattisgarh cadre. He has had a rich and varied administrative experience having worked in the Tribal Areas of Sarguja and Shahdol as District Collector in 1970s. He worked as Collector, Gwalior in 1976 and later as Commissioner, College Education, Industries Commissioner, Managing Director, State Textiles Corporation and Agriculture Secretary in the State of Madhya Pradesh. He has worked for four years in the Cabinet Secretariat in Government of India

from 1978 to 1982 and in the Ministry of Commerce as Director. As Joint Secretary in the Department of Chemicals and Petrochemicals he played a crucial role in the formulation of the Drug Policy of the country. He worked in the Ministry of Environment and Forests, Government of India as Additional Secretary/Special Secretary from 1996-2000. From June to September 2000 he worked as Secretary, Department of Telecom Services. During this period he successfully accomplished the intricate task of corporatisation of the Department of Telecommunications having about 3.5 lakh employees, an effort which was very well appreciated both by the Government and as well as the employees of Department of Telecommunications. From October, to June 2002 he worked as Secretary, Ministry of Labour. He was Chairman, Telecom Commission and Secretary, Department of Telecommunications From June, 2002 to January 2004. Mr Vaish completed his post-graduation in Physics from Allahabad University, M.Phil in Social Sciences from Punjab University, and post-graduate diploma in Public Administration. He has represented India in a number of international conferences on environment, labour and telecommunications.

Yogendra Narain is a 1965 batch Indian Administrative Service (IAS) officer from Uttar Pradesh (UP) cadre. He retired from the IAS as Secretary (coordination) Cabinet Secretariat, Government of India. He has worked in various capacities in the administration in the State of Uttar Pradesh and the Government of India. He served as Principal Secretary, Power and Irrigation, Uttar Pradesh. He also served as the Principal Secretary to the Governor, Uttar Pradesh; as Secretary, Ministry of Surface Transport, Government of India; Chief Secretary, Government of Uttar Pradesh and Defence Secretary to the Government of India. He is also the founder-Chairman of the Greater NOIDA Industrial Development Authority and the founder-Chairman of the National Highways Authority of India. Dr Narain holds degrees such as B.Sc., M.A. (Political Science), Diploma in Development Economics, M. Phil and PhD. He is member of Audit Committee of the Company.

2. International Experts



Achim Von Heynitz is currently Visiting Professor, International Organisations MBA Programme (IOMBA) at the University of Geneva. He teaches courses on Resource Management and Control in Non-profit Organisations, and Results-based Management of Non-profit Organisations. From 1997 to 2005, Mr. Heynitz worked for the World Bank as Director in the Corporate Resource Management (CRM) Department as the Head of Budget Department (with 64 direct reports), and Co-Head of Resource Management Sector Board and RM Family network, comprising 450 staff, Co-founder of Annual IFI Budget Director meetings, comprising more than 26 International Financial Institutions, and Co-Sponsor of World Bank Office in Chennai (India).



Elizabeth Curda is an Assistant Director for Strategic Issues at GAO, where she is responsible for assessing efforts to improve results-oriented management across the Federal Government. In this capacity, she has led audits and advised agency officials on the implementation of the Government Performance and Results Act, and the use of strategic planning, performance measurement, change management, and other management tools to achieve results. Elizabeth has also led efforts to examine key practices for effective collaboration among federal agencies and advises other GAO audit teams on how to address collaboration issues. Prior to GAO, Ms Curda held positions at the New York City Office of Management and Budget and the consulting firm, National Economic Research Associates, Inc. Ms. Curda holds a Masters in Public Administration from Columbia University and a Bachelor of Arts from Smith College.



Heru Prasetyo, Deputy Head of Indonesia President's Delivery Unit for Development Monitoring and Oversight (UKP4). Since 2010, he has been actively involved as Secretary (2010-2011) and member of REDD+ Task Force. His responsibilities include developing a national framework on Climate Change Mitigation in Forestry, Agriculture sectors and Natural Resources in Indonesia. Now, he has also been actively involved as Secretary of the National Committee of the Post-2015 Development Agenda, and has co-chaired REDD+ Partnership. Mr Prasetyo retired as Country Managing Director of Accenture Indonesia in 2002, and worked in high profile management consulting firms in the country.. He was the Director for International Relations in the Executing Agency for Reconstruction and Rehabilitation (BRR) Aceh-Nias from 2005-2009. Mr. Prasetyo was also one of the founders of Indonesia Business Link, an organisation of MNCs to support Indonesia's SMEs as well as CEO of CEO Forum on CSR.



Humberto Falcão Martins is currently the Director, Instituto PUBLIX which is a NGO devoted to consulting, teaching, researching and publishing in the

field of Public Governance. He is also working as the consultant in Public Administration to many international organisations (such as the World Bank, Inter-American Development Bank and United Nations). Mr. Martins is a doctorate in Business Administration from Getulio Vargas Foundation's Brazilian School of Public and Business Administration (EBAPE), Rio de Janeiro. Over the past 25 years he has been developing a rich and diversified professional career as a consultant, scholar and at executive positions in the fields of: Results-Based Governance; public management policies; institutional development and organisational change in public organisations; managerial training and development; and policy and programme evaluation. He has also authored around 11 books and over 90 papers.



Jairo Acuña-Alfaro has worked as Policy Adviser on public administration reform and anti-corruption in UNDP Vietnam since October 2007. In that capacity, Mr. Acuña-Alfaro has helped develop several policies regarding national public sector and civil service reform. In particular, he has provided policy advice and interventions with governments for the formulation and approval of the Civil Service Laws, the adoption, implementation and monitoring of the anti-corruption strategies, the UN Convention against Corruption, the establishment of monitoring & evaluation frameworks on anti-corruption and public service delivery, pioneering new alternatives to measure corruption, and public administrative performance. Mr. Acuña-Alfaro is the lead architect of a pioneering effort to measure governance and public administration performance from citizens' experiences entitled 'The Vietnam Provincial Governance and Public Administration Performance Index (PAPI)'. PAPI is now a multi-year policy monitoring tool that supports policy-making processes both at central and local levels.



Jitinder Kohli spent 15 years in the British Government. Mr. Kohli was head of Productivity and Structural reform in Her Majesty's Treasury, where he led major reforms of the United Kingdom's microeconomic framework to improve underlying productivity performance. His areas of focus there included Skills, Housing, Regulatory Policy, Small Firm Finance, Competition Law, and Immigration. He has also worked on social policy, leading the British Government Directorate responsible for the relationship with the non-profit sector and setting up a new unit responsible for improving community cohesion after major disturbances in three Northern English towns in 2001. Additionally, he has worked in the British Prime Minister's Strategy Unit and the Cabinet Secretariat. Most recently, he served as the Director General of Strategy and Communications for the British Department for Business, Innovation and Skills where he worked on the merger of two Government Departments to build a new agency. Between 2005 and 2009, he was the first chief executive of the Better Regulation Executive where he was responsible

for regulatory reform for the United Kingdom and building a new organisation charged with regulatory oversight. He also led a major programme to reduce the administrative burden of regulation by 25% over five years, and to change the culture of regulators so that they focused efforts on the areas of greatest risk. Under his leadership, the Better Regulation Executive came to be seen as one of the strongest regulatory reform organisations globally. Mr. Kohli has played an active role in the non-profit sector. Prior to moving to Washington, he was chair of the EPIC Trust, a leading provider of social care services across Southern England, and on the Board of Circle Anglia Housing Group, one of the largest subsidised housing providers in the United Kingdom. He also served as a trustee of the Adventure Capital Fund which administers loan and grant financing to non-profit organisations. Mr. Kohli has degrees from Oxford University and Southampton University, and most recently, a degree in Advanced Management Programme, from the Wharton School of Business.

Joanna Watkins joined the World Bank in 2009 as a Programme Coordinator for the Public Sector Performance Global Expert Team and is currently a Public Sector Specialist in the Public Sector Group. She has worked on performance management, public finance, and human resource management projects in Europe and Central Asia, Latin America and the Caribbean and East Asia. Prior to joining the Bank, Joanna worked with Peru's Ministry of Transport and Communications and at various development consulting firms on issues related to monitoring and evaluation and institutional strengthening. She has published on a wide range of topics, from public finance to public sector performance management, and recently co-authored the book *Financial Management Information Systems: 25 Years of World Bank Experience with What Works and What Doesn't* with Cem Dener and Bill Dorotinsky. Ms Watkins holds degrees in International Development from the Fletcher School of Law and Diplomacy at Tufts University and in Political Science from the College of William & Mary.

Koshy Thomas is the Head of the Outcome-based Budgeting (OBB), Ministry of Finance, Malaysia and currently responsible for leading the team in conceptualising, developing and implementing the OBB system. He was previously involved in, Public sector Performance Management, Policy Framework for Integrated Results-based Management (RBM) for implementation under 10th Malaysia Plan in Public Sector , Monitoring &Evaluation for Public Sector Programs, Programme Mapping Techniques, Public Investment and Loan Management, Revenue Management and Fiscal Policy, Trade Facilitation Policies. Trained in Economics, Public Finance and Human Services in Malaysia and Australia, he started with the Ministry of Finance as Assistant Secretary in 1981 with the Finance and Loans Division, and then continued in various capacities with the Tax Analysis Division,

Strategic Finance Division and currently heading the OBB Project Team. Mr Thomas worked briefly with the Ministry of Agriculture between 1989 and1992. He has presented papers internationally at forums organised by OECD, Asian Development Bank, UNDP, IMF, World Bank, UNICEF and to various National Governments in Asia and Africa on Planning, Budgeting and M&E and advised various Governments in Asia and Africa on Planning, Performance Budgeting, Monitoring & Evaluation.

Lise Grande is the UN Resident Coordinator and UNDP Resident Representative in India. Ms Grande has worked for the United Nations since 1994, serving in Armenia, Angola, Democratic Republic of Congo, East Timor, Haiti, Occupied Palestine, South Sudan, Sudan and Tajikistan. She has been involved in some of the United Nations' largest humanitarian operations and has also served in peace-keeping missions.

Nowook Park received a PhD in economics at the University of Michigan focusing on the areas of public finance and political economy. He joined the Korea Institute of Public Finance as a research fellow and have been doing extensive research and providing consulting and training services on various issues related to public finance and budgeting. He has been playing a pivotal role in introducing and implementing public financial management reforms in Korean government. Currently, he is founding director at the Centre for Performance Evaluation and Management in the Korea Institute of Public Finance. His role in the reform process has been multi-faceted: (1) designing performance management system (2) developing detailed guidance for its implementation (3) providing training programs to personnel in central and local governments (4) conducting programme evaluation (5) establishing experts' networks by participating OECD Senior Budget Officials Networks and IMF, World Bank and IDB projects (6) providing policy advice and training programs to foreign governments.

Ray Shostak, CBE headed the Prime Minister's Delivery Unit and Performance Management and Member of Treasury Board of HM Treasury since October 2007 till the Department was abolished in 2010. The Prime Minister's Delivery Unit in UK was established in June 2001 to monitor progress on and strengthen the British government's capacity to deliver its key priorities across education, health, crime and transport. The Unit reported to the Prime Minister through the Head of the Civil Service (the Cabinet Secretary). Previously, Mr. Shostak served as Director of Public Services at HM Treasury since 2003. He has worked on a wide variety of public services and spending control issues, including reforms to the framework of Public Service Agreements and a new performance framework for local government and a range of internal and cross-governmental projects, including policy development and reviews of housing and planning reform, the Olympics,

childcare, education and public service inspection. Prior to joining the Treasury, he was Director of Children, Schools and Families at Hertfordshire County Council, where he set up the first fully-integrated Children's Service in local government, which addresses issues related to education, social care, youth justice and health issues. He has also worked in a number of posts in education and local government, including as a teacher in the USA and in England.



Richard Ndubai, former Permanent Secretary, Public Sector Reform and Performance Contracting, Prime Minister's Office, Government of Kenya. Considered to be the father of Performance Contracting system in Kenya, he has been influential in spreading the practice of Government Performance Management across the Africa. Recognised for his dedicated public service in this area, he has been decorated with many civilian honors: Chief of the Order of the Burning Spear (CBS), Moran of the Order of the Burning Spear (M.B.S.), and The Order of the Grand Warrior of Kenya. A graduate of the Kennedy School of Government, Harvard University, he is active in research on Performance Contracting. During his tenure, Kenya won several international awards for their Performance Contracting System.



Roger Scott-Douglas is the Assistant Secretary, Priorities and Planning Sector, at the Treasury Board of Canada Secretariat (TBS). Before being appointed to this position, Mr. Scott-Douglas was the Assistant Secretary of the Red Tape Commission Secretariat (TBS). In addition to holding many other positions at TBS over the years, he was the Chargé de Mission at the Ministère du Budget, des Comptes publics et de la Fonction publique in Paris. He also held executive positions at the Department of Human Resources Development Canada (HRDC). Mr. Scott-Douglas holds a Bachelor of Arts (*magna cum laude)* in Political Science from the University of Alberta, Canada; a Master of Philosophy from the University of St. Andrews, Scotland (Commonwealth Scholar); and a Doctor of Philosophy from the University of Cambridge, England (Commonwealth Scholar).



Roland Lomme has been working in the World Bank New Delhi office since 2010 as Governance Advisor. He was previously an Adviser to the French Executive director. He is on secondment from the French Ministry of Economy, Treasury Department where he was working previously for 15 years. He started his career in the legislative branch of the government as a policy adviser. Roland holds a PhD in public policy, an MA in public administration and a BA in law.



Sumeeta Banerji is currently heading the Democratic Governance Programme at the United Nations Development Programme in India. She handles a portfolio of programmes providing technical assistance and policy

advice to key Government of India ministries and state governments on a wide range of governance themes including public administration, access to justice, capacity development for local governance and decentralised planning, human development, etc. Prior to joining the UN in India, Ms. Banerji spent several years with the Canadian International Development Agency leading projects in the areas of democratic governance, human rights, child rights, inclusive education, etc. Ms Banerji is a Fellow of the Aspen Institute's India Leadership Initiative. She did her Undergraduate Degree in History from the Lady Shri Ram (LSR) College, University of Delhi and her Masters in International Relations from the Diplomatic Academy in Vienna. She is also a linguist and has a Master's degree in German and Diploma in French and Spanish. She lives with her husband and two children in New Delhi.

Tumi Mketi started her career in the Para-statal sector in the 80's, working for an organisation responsible for administering employee benefits. She joined the public service in 1996, specialising in Human Resource Management and later in the broader fields of Corporate Services and Strategic Management. She was instrumental in the transformation agenda of the South Africa Public Service, where she championed the development of women in local government, and also chaired several transformation committees. She was appointed Deputy Director General for M&E in 2005 by the Department of Provincial and Local Government, a position she occupied until 2009, when she was moved within the same Ministry to support the establishment of the new Department of Traditional in 2010, as Deputy Director General – Institutional Support and Coordination. In this portfolio, she managed a project on the Assessment of the State of Governance within Traditional Affairs, and went on to organise stakeholders to develop and adopt a dedicated programme of support for the Institution of Traditional Leadership and their communities. She joined the DPME in June 2013, on a lateral transfer, as Deputy Director General – Institutional Performance Monitoring and Evaluation. She holds a Bachelor of Communication, (Honours) in Human Resource Development, Master of Business Leadership degrees, and certificates in Management from various universities within South Africa.

William Dorotinsky is currently with the World Bank, where he is a co-leader of the Public Sector Performance Global Expert Team and Sector Manager for Public Sector Institutional Reform and Governance in the World Bank's Europe and Central Asia Region. Mr. Dorotinsky has also served as Deputy Division Chief in the IMF Fiscal Affairs Department public financial management technical assistance division, where he co-founded the IMF Public Financial Management blog. Mr. Dorotinsky led public expenditure work globally in the World Bank for many years and was central to the development of the Public Expenditure and Financial Accountability performance framework. He spent 12 years in the U.S. Office of Management

and Budget addressing financial and performance management reforms, including implementing the Government Performance and Results Act. He was seconded to the District of Columbia during its fiscal crisis in the mid-1990's as the Deputy Chief Financial Officer. He also spent several years with the U.S. Treasury as a public finance advisor to the Governments of Hungary, Argentina, and Croatia. Mr. Dorotinsky has numerous publications, covering issues such as Public Finance, and Performance.

3. Discussants

E K Bharat Bhushan (IAS:1979, Kerala), Chief Secretary, Government of Kerala.

Gauri Kumar (IAS:1979, Gujarat), Secretary, Border Management, Ministry of Home Affairs, Government of India

J Satyanarayana (IAS:1977, Andhra Pradesh), Secretary, Department of Information Technology, Government of India.

Madhav Lal (IAS:1977, Jammu & Kashmir), Secretary, Ministry of Micro, Small and Medium Enterprises (MSME), Government of India.

Parvez Dewan (IAS:1977, Jammu & Kashmir), Secretary, Ministry of Tourism, Government of India.

P. Gopinath (IPoS: 1977), Secretary, Department of Post, Government of India.

Rajiv Mehrishi (IAS: 1978, Rajasthan), Secretary, Department of Fertilizers, Ministry of Chemicals and Fertilizers, Government of India.

Sangita Gairola (IAS:1977, Rajasthan), Secretary, Department of Ex-Serviceman's Welfare, Government of India.

Sanjay Kothari (IAS: 1978, Haryana), Secretary, Department of Administrative Reforms & Public Grievances and Department of Pensions & Pensioners Welfare, Ministry of Personnel, Public Grievances and Pensions, Government of India

Siraj Hussain (IAS:1979, Uttar Pradesh), Secretary, Ministry of Food Processing and Industries, Government of India.

TCA Anant (Economist), Secretary, Ministry of Statistics and Programme Implementation (MoSPI), Government of India.

Vibha Puri Das (IAS: 1976, Uttaranchal), Secretary, Ministry of Tribal Affairs, Government of India.

Zohra Chatterji (IAS: 1979, Uttar Pradesh), Secretary, Ministry of Textiles, Government of India.

IAS – Indian Administrative Service
IPoS – Indian Postal Service

4. Resource Persons

Ghanshyam Kumar, Under Secretary, Performance Management Division, Cabinet Secretariat, Government of India

Gulab S. Panwar, Under Secretary, Performance Management Division, Cabinet Secretariat, Government of India

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Annexure D:

Results-Framework Document (RFD) for D/o Agriculture and Cooperation, 2012-13

सत्यमेव जयते

R F D

(Results-Framework Document)

for

Department Of Agricultural Research and Education
(2012-2013)

Section 1:
Vision, Mission, Objectives and Functions

Vision

Harnessing science to ensure comprehensive and sustained physical, economic and ecological access to food and livelihood security to all Indians, through generation, assessment, refinement and adoption of appropriate technologies.

Mission

Sustainability and growth of Indian agriculture by interfacing agricultural research, higher education and front-line extension initiatives complemented with institutional, infrastructural and policy support that will create efficient and effective science-harnessing tool.

Objective

1. Improving natural resource management and input use efficiency
2. Strengthening of higher agricultural education
3. Utilizing frontier research in identified areas / programs for better genetic exploitation
4. Strengthening of frontline agricultural extension system and addressing gender issues
5. IP management and commercialization of technologies
6. Assessment and monitoring of fishery resources
7. Development of vaccines and diagnostics
8. Post harvest management, farm mechanization and value addition

Functions

1. To develop Public-Private-Partnerships in developing seeds, planting materials, vaccines, feed formulations, value added products, agricultural machinery etc.
2. To serve as a repository in agriculture sector and develop linkages with national and international organizations as per the needs and current trends.
3. To plan, coordinate and monitor research for enhancing production and productivity of agriculture sector.
4. To enhance quality of higher education in agriculture sector.
5. Technology generation, commercialization and transfer to end users.
6. Human resource development and capacity building.
7. To assess implementation of various programmes in relation to target sets and provide mid-course correction, if required.
8. To provide technological backstopping to various line departments.

Section 2:
Inter se Priorities among Key Objectives, Success indicators and Targets

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
[1] Improving natural resource management and input use efficiency	17.00	[1.1] Integrated nutrient management (INM)	[1.1.1] Developing GIS based district / block level soil fertility maps	Number	2.55	112	100	88	78	67
			[1.1.2] Developing INM packages for different agro-eco regions of the country	Number	2.55	7	6	5	4	3
			[1.1.3] Organizing training & demonstrations	Number	1.70	27	25	22	19	16
		[1.2] Integrated water management (IWM)	[1.2.1] Technologies for enhancing water use efficiencies	Number	1.70	6	5	4	3	2
			[1.2.2] Technologies for water harvesting storage and groundwater recharge	Number	1.70	6	5	4	3	2
			[1.2.3] Models / DSS for multiple uses of water	Number	0.85	4	3	2	1	0
			[1.2.4] Organizing training & demonstrations	Number	1.70	17	15	14	12	10
		[1.3] Climate resilient agriculture	[1.3.1] Awareness building amongst stake holders through trainings / demonstrations	Number	1.02	170	150	136	119	102
			[1.3.2] Human resource development and capacity building	Number	1.02	170	150	136	119	102
			[1.3.3] Testing crop varieties for climate resilience at different locations	Number	2.21	12	10	9	8	7

Section 2:
Inter se Priorities among Key Objectives, Success indicators and Targets

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
[2] Strengthening of higher agricultural education	17.00	[2.1] Accreditation / Extension of accreditation of agricultural universities	[2.1.1] Number of universities granted accreditation / extension of accreditation	Number	2.55	9	8	6	5	4
		[2.2] Grant of ICAR International fellowships to Indian and foreign students	[2.2.1] Number of fellowships awarded (subject to availability of competent candidates)	Number	2.55	13	12	10	8	6
		[2.3] Grant of JRF and SRF to students	[2.3.1] Total No. of fellowships granted every year (subject to availability of competent candidates)	Number	4.25	630	625	575	500	475
		[2.4] Establishment of experiential learning units	[2.4.1] Experiential learning units established	Number	1.70	25	22	20	18	15
		[2.5] Financial support and monitoring of progress	[2.5.1] Amount released	Rupees in crores	2.55	380	360	340	320	300
		[2.6] Capacity building and faculty up-gradation	[2.6.1] Number of teachers trained per year	Number	1.70	1000	900	800	700	600
			[2.6.2] Number of Summer / Winter Schools organized	Number	1.70	25	22	20	18	16
[3] Utilizing frontier research in identified areas / programs for better genetic exploitation	13.00	[3.1] Collection, characterization and conservation of genetic resources	[3.1.1] Number of germplasm collected / characterized and conserved (other crops)	Number	1.17	5000	4000	3000	2500	2000
			[3.1.2] Number of germplasm collected	Number	1.17	350	315	280	245	210

Section 2:
Inter se Priorities among Key Objectives, Success indicators and Targets

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
			(horticultural crops)							
		[3.2] Evaluation of genetic resources / improved varieties for suitable crop husbandry practices	[3.2.1] Number of germplasm evaluated	Number	1.17	3000	2500	2000	1500	1000
		[3.3] Production of breeder seed, other seeds and planting materials	[3.3.1] Quantity of breeder seed produced (other crops)	Tonnes	1.30	8500	8200	8000	7500	7000
			[3.3.2] Quantity of breeder seed produced (horticultural crops)	Tonnes	1.17	4000	3600	3200	2800	2400
			[3.3.3] Quantity of planting materials produced annually	Number (in lakhs)	1.17	45	40.5	36	31.5	27
		[3.4] Development of improved varieties suited to diverse agro ecologies	[3.4.1] Number of varieties developed (other crops)	Number	1.17	15	12	10	8	5
			[3.4.2] Number of varieties developed (pulses / oilseeds)	Number	1.17	17	13	11	9	7
			[3.4.3] Number of varieties developed (horticultural crops)	Number	1.17	20	18	16	14	12
		[3.5] Production of piglets (8-12 weeks of age)	[3.5.1] Provisioning of piglets to farmers and development agencies	Number	1.17	1000	900	800	600	550
		[3.6] Production of day old as well as 6 weeks old	[3.6.1] Provisioning of day old / 6 weeks	Number (in	1.17	2.5	2	1.5	1	0.5

Section 2:
Inter se Priorities among Key Objectives, Success indicators and Targets

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
		chicks	old chicks to farmers and development agencies	lakhs)						
[4] Strengthening of frontline agricultural extension system and addressing gender issues	13.00	[4.1] Technology assessment through on-farm trials	[4.1.1] Number of technologies assessed	Number	5.20	240	220	200	150	140
		[4.2] Capacity building through training programmes	[4.2.1] Number of training programmes organized	Number	5.20	20000	18000	16000	15000	14000
		[4.3] Promotion of technologies covering gender concerns	[4.3.1] Gender-related technology promotion programs conducted	Number	2.60	30	25	20	16	15
[5] IP management and commercialization of technologies	9.00	[5.1] Partnership development, including licensing of ICAR technologies	[5.1.1] Partners (private sector) identified	Number	4.50	30	25	20	15	10
		[5.2] Patents and other IPR titles	[5.2.1] Applications filed	Number	4.50	95	90	80	70	60
[6] Assessment and monitoring of fishery resources	6.00	[6.1] Fish resources assessment and eco-system monitoring	[6.1.1] Number of explorations / surveys carried out	Number	3.60	70	65	60	55	50
			[6.1.2] Development of GIS based aquatic resource database	Number	2.40	8	6	5	4	3
[7] Development of vaccines and diagnostics	5.00	[7.1] Production of diagnostic kits and field validation	[7.1.1] Diagnostic kits developed	Number	3.00	5	3	2	1	0
		[7.2] Production of vaccines against important animal diseases and their validation	[7.2.1] Production of vaccines	Number	2.00	3	2	1	0	0
[8] Post harvest management, farm mechanization and value addition	5.00	[8.1] Develop / refine equipment for crop production & processing	[8.1.1] Equipment developed / refined	Number	1.25	20	18	16	14	12

Section 2:
Inter se Priorities among Key Objectives, Success indicators and Targets

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
		[8.2] Testing of commercial prototypes / technologies	[8.2.1] Commercial test reports / samples tested	Number	1.25	12	11	10	8	6
		[8.3] Process protocols for product development, storage, safety and improved quality	[8.3.1] Process protocols	Number	1.25	11	10	8	6	5
		[8.4] Development / refinement of products from crops, fibres, natural gums / resins, livestock / fishes	[8.4.1] Value-added products	Number	1.25	14	12	10	8	6
* Efficient Functioning of the RFD System	3.00	Timely submission of Draft for Approval	On-time submission	Date	2.0	05/03/2012	06/03/2012	07/03/2012	08/03/2012	09/03/2012
		Timely submission of Results	On- time submission	Date	1.0	01/05/2012	03/05/2012	04/05/2012	05/05/2012	06/05/2012
* Administrative Reforms	6.00	Implement mitigating strategies for reducing potential risk of corruption	% of implementation	%	2.0	100	95	90	85	80
		Implement ISO 9001 as per the approved action plan	Area of operations covered	%	2.0	100	95	90	85	80
		Identify, design and implement major innovations	Implementation of identified innovations	Date	2.0	05/03/2013	06/03/2013	07/03/2013	08/03/2013	09/03/2013
* Improving Internal Efficiency / responsiveness / service delivery of Ministry / Department	4.00	Implementation of Sevottam	Independent Audit of Implementation of Citizen's Charter	%	2.0	100	95	90	85	80
			Independent Audit of implementation of public grievance redressal system	%	2.0	100	95	90	85	80
* Ensuring compliance to the Financial Accountability Framework	2.00	Timely submission of ATNs on Audit paras of C&AG	Percentage of ATNs submitted within due date (4 months) from date of presentation of Report to Parliament by CAG during the year.	%	0.5	100	90	80	70	60

* Mandatory Objective(s)

Section 2:
Inter se Priorities among Key Objectives, Success indicators and Targets

Objective	Weight	Action	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
		Timely submission of ATRs to the PAC Sectt. on PAC Reports.	Percentage of ATRS submitted within due date (6 months) from date of presentation of Report to Parliament by PAC during the year.	%	0.5	100	90	80	70	60
		Early disposal of pending ATNs on Audit Paras of C&AG Reports presented to Parliament before 31.3.2012.	Percentage of outstanding ATNs disposed off during the year.	%	0.5	100	90	80	70	60
		Early disposal of pending ATRs on PAC Reports presented to Parliament before 31.3.2012	Percentage of outstanding ATRS disposed off during the year.	%	0.5	100	90	80	70	60

* Mandatory Objective(s)

Section 3:
Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value FY 10/11	Actual Value FY 11/12	Target Value FY 12/13	Projected Value for FY 13/14	Projected Value for FY 14/15
[1] Improving natural resource management and input use efficiency	[1.1] Integrated nutrient management (INM)	[1.1.1] Developing GIS based district / block level soil fertility maps	Number	10	15	100	71	15
		[1.1.2] Developing INM packages for different agro-eco regions of the country	Number	4	4	6	6	8
		[1.1.3] Organizing training & demonstrations	Number	15	24	25	25	25
	[1.2] Integrated water management (IWM)	[1.2.1] Technologies for enhancing water use efficiencies	Number	4	9	5	2	2
		[1.2.2] Technologies for water harvesting storage and groundwater recharge	Number	5	6	5	3	3
		[1.2.3] Models / DSS for multiple uses of water	Number	2	2	3	1	1
		[1.2.4] Organizing training & demonstrations	Number	10	49	15	15	16
	[1.3] Climate resilient agriculture	[1.3.1] Awareness building amongst stake holders through trainings / demonstrations	Number	0	100	150	100	100
		[1.3.2] Human resource development and capacity building	Number	0	100	150	50	100
		[1.3.3] Testing crop varieties for climate resilience at different locations	Number	0	7	10	10	10

Section 3:
Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value FY 10/11	Actual Value FY 11/12	Target Value FY 12/13	Projected Value for FY 13/14	Projected Value for FY 14/15
[2] Strengthening of higher agricultural education	[2.1] Accreditation / Extension of accreditation of agricultural universities	[2.1.1] Number of universities granted accreditation / extension of accreditation	Number	8	8	8	10	10
	[2.2] Grant of ICAR International fellowships to Indian and foreign students	[2.2.1] Number of fellowships awarded (subject to availability of competent candidates)	Number	12	12	12	14	15
	[2.3] Grant of JRF and SRF to students	[2.3.1] Total No. of fellowships granted every year (subject to availability of competent candidates)	Number	625	625	625	650	650
	[2.4] Establishment of experiential learning units	[2.4.1] Experiential learning units established	Number	20	25	22	35	37
	[2.5] Financial support and monitoring of progress	[2.5.1] Amount released	Rupees in crores	289	325	360	375	385
	[2.6] Capacity building and faculty up-gradation	[2.6.1] Number of teachers trained per year	Number	1000	1000	900	1000	1000
		[2.6.2] Number of Summer / Winter Schools organized	Number	40	35	22	35	35
[3] Utilizing frontier research in identified areas / programs for better genetic exploitation	[3.1] Collection, characterization and conservation of genetic resources	[3.1.1] Number of germplasm collected / characterized and conserved (other crops)	Number	2000	2000	4000	2200	2300

Section 3:
Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value FY 10/11	Actual Value FY 11/12	Target Value FY 12/13	Projected Value for FY 13/14	Projected Value for FY 14/15
		[3.1.2] Number of germplasm collected (horticultural crops)	Number	45	300	315	400	400
	[3.2] Evaluation of genetic resources / improved varieties for suitable crop husbandry practices	[3.2.1] Number of germplasm evaluated	Number	1800	2000	2500	2200	2400
	[3.3] Production of breeder seed, other seeds and planting materials	[3.3.1] Quantity of breeder seed produced (other crops)	Tonnes	8000	8000	8200	8200	8500
		[3.3.2] Quantity of breeder seed produced (horticultural crops)	Tonnes	2250	3500	3600	4500	4800
		[3.3.3] Quantity of planting materials produced annually	Number (in lakhs)	13	40	40.5	50	52
	[3.4] Development of improved varieties suited to diverse agro ecologies	[3.4.1] Number of varieties developed (other crops)	Number	10	10	12	12	12
		[3.4.2] Number of varieties developed (pulses / oilseeds)	Number	--	--	13	13	13
		[3.4.3] Number of varieties developed (horticultural crops)	Number	4	15	18	20	20
	[3.5] Production of piglets (8-12 weeks of age)	[3.5.1] Provisioning of piglets to farmers and development agencies	Number	900	900	900	900	1000
	[3.6] Production of day old as well as 6 weeks old chicks	[3.6.1] Provisioning of day old / 6 weeks old chicks to farmers	Number (in lakhs)	0.6	2	2	2	2.5

Section 3:
Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value FY 10/11	Actual Value FY 11/12	Target Value FY 12/13	Projected Value for FY 13/14	Projected Value for FY 14/15
		and development agencies						
[4] Strengthening of frontline agricultural extension system and addressing gender issues	[4.1] Technology assessment through on-farm trials	[4.1.1] Number of technologies assessed	Number	--	200	220	260	280
	[4.2] Capacity building through training programmes	[4.2.1] Number of training programmes organized	Number	--	--	18000	20000	22000
	[4.3] Promotion of technologies covering gender concerns	[4.3.1] Gender-related technology promotion programs conducted	Number	--	20	25	30	35
[5] IP management and commercialization of technologies	[5.1] Partnership development, including licensing of ICAR technologies	[5.1.1] Partners (private sector) identified	Number	20	136	25	35	40
	[5.2] Patents and other IPR titles	[5.2.1] Applications filed	Number	70	111	90	130	150
[6] Assessment and monitoring of fishery resources	[6.1] Fish resources assessment and eco-system monitoring	[6.1.1] Number of explorations / surveys carried out	Number	40	60	65	70	75
		[6.1.2] Development of GIS based aquatic resource database	Number	4	6	6	7	8
[7] Development of vaccines and diagnostics	[7.1] Production of diagnostic kits and field validation	[7.1.1] Diagnostic kits developed	Number	2	4	3	3	4
	[7.2] Production of vaccines against important animal diseases and their validation	[7.2.1] Production of vaccines	Number	2	2	2	3	3
[8] Post harvest management, farm mechanization and value addition	[8.1] Develop / refine equipment for crop production & processing	[8.1.1] Equipment developed / refined	Number	20	20	18	25	25

Section 3:
Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value FY 10/11	Actual Value FY 11/12	Target Value FY 12/13	Projected Value for FY 13/14	Projected Value for FY 14/15
	[8.2] Testing of commercial prototypes / technologies	[8.2.1] Commercial test reports / samples tested	Number	12	12	11	15	15
	[8.3] Process protocols for product development, storage, safety and improved quality	[8.3.1] Process protocols	Number	10	11	10	13	13
	[8.4] Development / refinement of products from crops, fibres, natural gums / resins, livestock / fishes	[8.4.1] Value-added products	Number	12	14	12	18	18
* Efficient Functioning of the RFD System	Timely submission of Draft for Approval	On-time submission	Date	05/03/2010	06/03/2011	06/03/2012	--	--
	Timely submission of Results	On- time submission	Date	27/04/2011	--	03/05/2012	--	--
* Administrative Reforms	Implement mitigating strategies for reducing potential risk of corruption	% of implementation	%	--	--	95	--	--
	Implement ISO 9001 as per the approved action plan	Area of operations covered	%	--	--	95	--	--
	Identify, design and implement major innovations	Implementation of identified innovations	Date	--	--	06/03/2012	--	--
* Improving Internal Efficiency / responsiveness / service delivery of Ministry / Department	Implementation of Sevottam	Independent Audit of Implementation of Citizen's Charter	%	--	--	95	--	--
		Independent Audit of implementation of public grievance redressal	%	--	--	95	--	--

* Mandatory Objective(s)

Section 3:
Trend Values of the Success Indicators

Objective	Action	Success Indicator	Unit	Actual Value FY 10/11	Actual Value FY 11/12	Target Value FY 12/13	Projected Value for FY 13/14	Projected Value for FY 14/15
		system						
* Ensuring compliance to the Financial Accountability Framework	Timely submission of ATNs on Audit paras of C&AG	Percentage of ATNs submitted within due date (4 months) from date of presentation of Report to Parliament by CAG during the year.	%	--	--	90	--	--
	Timely submission of ATRs to the PAC Sectt. on PAC Reports.	Percentage of ATRS submitted within due date (6 months) from date of presentation of Report to Parliament by PAC during the year.	%	--	--	90	--	--
	Early disposal of pending ATNs on Audit Paras of C&AG Reports presented to Parliament before 31.3.2012.	Percentage of outstanding ATNs disposed off during the year.	%	--	--	90	--	--
	Early disposal of pending ATRs on PAC Reports presented to Parliament before 31.3.2012	Percentage of outstanding ATRS disposed off during the year.	%	--	--	90	--	--

* Mandatory Objective(s)

Section 4:
Description and Definition of Success Indicators and Proposed Measurement Methodology

Objective 1. Improving natural resource management and input use efficiency

Improving natural resource management and input use efficiency with respect to improving soil health and water productivity, integrated nutrient and water management are essential. The action points/ success indicators for INM cover developing GIS based soil fertility maps, macro / micro-level land use plans, developing and disseminating integrated nutrient management packages, technologies for improving the productivity of problem soils, IFS models etc. For facilitating IWM, enhancing water storage and ground water recharge, multiple uses of water, precision/micro-irrigation systems, recycling of wastewater and other on-farm management issues like resource conservation technologies, deficit irrigation, tools and models to support decision making are planned. For mitigating adverse impact of climate change on crops, livestock, horticulture and fisheries, emphasis will specifically be on climate resilient agriculture through identifying the vulnerable zones and mitigating measures through basic and strategic research. In order to improve the capacity of research and developmental organizations and their staff, provision has been made for strengthening them with state of the art technologies through training programmes / field demonstrations etc.

Objective 2. Strengthening of higher agricultural education

The success will be measured from the indicator the number of universities having developed appropriate e-learning tools and resources. Similarly, Accreditation / Extension of accreditation of agricultural universities will require number of universities granted accreditation / extension of accreditation; Grant of ICAR International fellowships to Indian and foreign students, and JRF and SRF, as applicable, will cover number of such fellowships awarded. However, such numbers of grants will also depend upon the availability of competent candidates for the fellowships. Capacity building and faculty upgradation of teachers will be measured from the number of teachers trained per year.

Objective 3. Utilizing frontier research in identified areas / programs for better genetic exploitation

The emphasis on natural resource management is laid to ensure efficient use of natural resources under the changing situations. This can be supported by developing high yielding varieties, requiring less input like fertilizers, water and pesticides. With respect to conservation of genetic resources for sustainable use, it is envisaged to conserve plant genetic resources to have repository, evaluation and further utilization of resources for improving yield in a sustainable manner. The genetic diversity of various horticultural crops will be collected from different eco-regions, characterized and utilized to develop varieties for higher yields, quality and biotic and abiotic stresses. The action points /success indicators include production of quality seed and planting materials.

Objective 4. Strengthening of frontline agricultural extension system and addressing gender issues

The success indicators with respect to assessment of technology through OFTs is measured by the actual number of technologies assessed by conducting on farm trials. Capacity building and trainings organized are measured with the actual numbers of such programme / activities undertaken by the KVKs. Regarding support for promoting gender issues is measured through the success indicators of actual number of gender related technology promotion programmes conducted by the DRWA.

Objective 5. IP management and commercialization of technologies

With respect to commercialization of technologies and promoting public-private partnership, it is envisaged to bring commercial ethos in agricultural research. Indicators for commercialization of

Section 4:
Description and Definition of Success Indicators and Proposed Measurement Methodology

technologies, promoting public-private partnership, and protection of intellectual property rights will be determined by the commercialization through partnership development, including licensing of ICAR technologies. The increasing numbers over the years may indicate a higher emphasis on technology transfer through enterprises; thereby contributing to larger adoption and improved socioeconomic impact of ICAR technologies.

Objective 6. Assessment and monitoring of fishery resources

To enhance fish production and productivity on a sustainable basis from the available resources, and to address the issues and strategies to overcome the critical research gaps in realizing the full production potential from fisheries and aquaculture sector, the research activities have been consolidated and prioritized. The action points and the success indicators under this objective have been identified depending on the priority and availability of the resources and the needs and requirements of the stakeholders. It is expected that by undertaking these programmes, there would be an increase in fish production, conservation of resources, more opportunities for livelihood and employment generation.

Objective 7. Development of vaccines and diagnostics

The production of diagnostic kits and vaccines would involve delineation of process (processes) and thereby denoting a specific number for field testing / validation.

Objective 8. Post harvest management, farm mechanization and value addition

The action points / success indicators for development / refinement of equipment would include intended performance of the equipment and its commercial viability. Test results and on-farm trials will be used to judge the expected output. The success indicators will cover technologies developed to create innovative products that are commercially acceptable in competitive markets.

Section 5:
Specific Performance Requirements from other Departments

1. A strong network support for channelizing awareness through training programmes, inputs like monetary support / loans, availability of germplasm, medicines, etc. and market access through state development agencies, KVKs and NGOs would play a major role. (State AH departments, DADF, KVKs, NGOs).
2. Development of animal disease diagnostics and vaccines requires sound commitment for monitoring support for production of diagnostic vaccines whereas for validation under field conditions, a strong commitment and participation of state agencies will be required. (State AH departments, Pvt. Industry for up-scaling).
3. The quantity of breeder seed produced is based on the quantity indented by Department of Agriculture and Cooperation, which in turn collects indents from various seed agencies including State Departments of Agriculture.
4. Technology adoption would depend upon the proactive role of development departments namely DAC, DST, DBT, DADF, SAUs etc.
5. Regarding the achievements related to technology assessment through OFTs and capacity building through training programme, the support of ICAR institutions and SAUs are required in order to ensure timely technology and methodology backstopping. In addition, farmers participation, sponsorship of trainees from the line departments, availability of required demonstration plots for conducting OFTS trials are some of the much needed support from the stakeholders.
6. The success with respect to promotion of technologies covering gender issues requires the collaboration of AICRP centres, Agricultural Engineering Division and the line departments are important in generating suitable gender data base, assessment of the technologies keeping in view the gender perspectives and their dissemination.
7. Popularization and commercialization of tools and equipment will require continued support of Department of Agriculture and Cooperation, Ministry of Agriculture for frontline demonstrations on large scale and capacity building of stakeholders and proactive role taken by various line departments in promoting improved technologies.
8. The Fisheries Division is working in close coordination and linkages with the Ministry of Agriculture; Ministry of Commerce; Ministry of Science & Technology; Ministry of Environment & Forest; Ministry of Earth Sciences; Ministry of Food Processing Industries, funding institutions, private entrepreneurs, NGOs, stakeholders etc. through interface and participation in various committees and meetings addressing the researchable issues in fisheries and aquaculture for formulating the strategies and guidelines for policy interventions to facilitate increasing fish production and productivity. Support from all these agencies and organizations are essential for achieving the mission of providing required food, nutritional, socio-economic and livelihood security.
9. The support of the Ministry of Finance and the Planning Commission would be crucial for realizing of set objectives, target and goals. Further, successful executing of the programmes would depend on the proactive role of other line departments of states and stakeholders for technology adoption and timely implementation of suggested strategies & guidelines.
10. Support from the concerned central / state line departments / SAUs, soil testing laboratories, KVKs, watershed associations, Pani Panchayat for promoting adoption of developed technologies.
11. Support from associated Institutes/DUs/SAUs/line departments for promoting adoption of developed technologies.
12. Financial support as per EFC / SFC allocation of institute under Horticulture

Section 5:
Specific Performance Requirements
from other Departments

Division including AICRP / network projects.

13. Support from SAUs, KVKs and line departments for promotion and adoption of technologies developed by the institutes.

14. Financial and technological support from other government departments like, DAC, NMPB, NHB, APEDA, MoRD, MoHFA, MoWR etc., State line departments and others including foreign collaborations.

15. The development and strengthening of the SAUs / AUs will depend upon the support / timely availability of sufficient fund from the central government.

Section 6:
Outcome/Impact of Department/Ministry

Outcome/Impact of Department/Ministry	Jointly responsible for influencing this outcome / impact with the following department (s) / ministry(ies)	Success Indicator	Unit	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15
1 Enhanced agriculture productivity	DADF, DAC, Planning Commission, Ministry of Environment & Forests, Ministry of Panchayati Raj, Ministry of Rural Development and State Governments	Increase in agriculture productivity	%	0	2	2	2	2
2 Enhanced milk, egg, meat & fish productivity	DADF, Ministry of Panchayati Raj, Ministry of Rural Development, State Governments and NGOs	Increase in milk productivity	%	0	3.8	4	4	4
		Increase in egg productivity	%	0	2	2	2	2
		Increase in meat productivity	%	0	2.5	2.5	2.5	2.5
		Increase in fish productivity	%	0	4	4	4	4
3 Enhanced availability of quality human resources for agricultural research & development activities	SAUs, SVUs, Ministry of Panchayati Raj, Ministry of Rural Development and State Governments	Increase in Graduates / PG students passed out and capacity building	%	0	5	5	5	5
4 Enhanced rural livelihood security	DAC, DADF, SAUs, SVUs, Ministry of Panchayati Raj, Ministry of Rural Development, Ministry of Fertilizers and State Governments	Decrease in rural poverty	%	0	1	1	1	1
		Increase in farm income	%	0	3	2	2	2
5 Improved nutritional security	DST, DBT, ICMR, Ministry of Food Processing, Ministry of Panchayati Raj, Ministry of Rural Development and State Governments	Increase in per capita availability of agricultural products	%	0	1.6	0.8	0.8	0.8
6 Enhancing frontier research / programmes		Technical papers published in recognized journals	Number	0	4000	4500	5000	5000

Section 6:
Outcome/Impact of Department/Ministry

Outcome/Impact of Department/Ministry	Jointly responsible for influencing this outcome / impact with the following department (s) / ministry(ies)	Success Indicator	Unit	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15
		New varieties developed	Number	0	60	70	80	80
7 Commercialization of technologies	SAU/DU	Research converted into commercialized technology	Number	0	10	10	10	10

Annexure E:

Results-Framework Document Evaluation Methodology (REM) Guideline

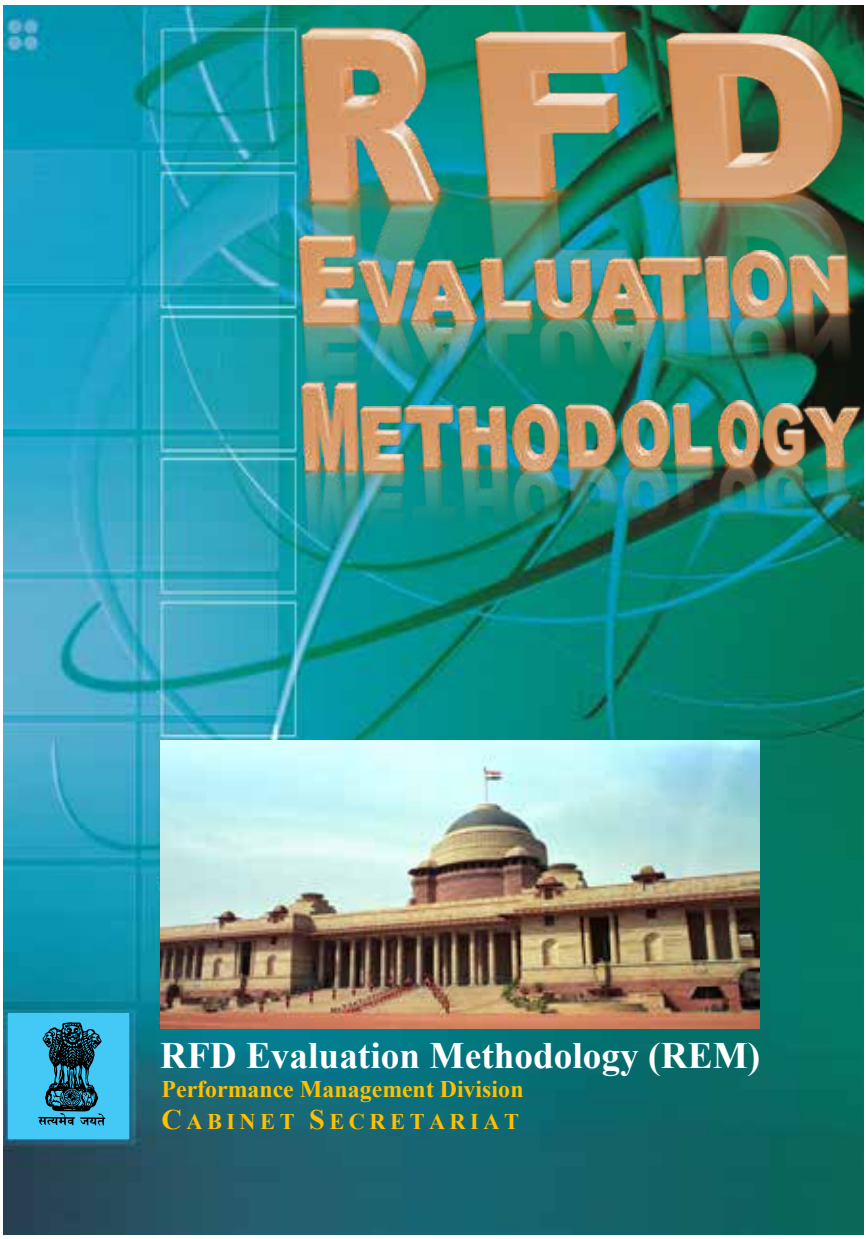


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RFD EVALUATION METHODOLOGY (REM)

I. PURPOSE OF THIS DOCUMENT

This document outlines the methodology for evaluating the quality of a Results-Framework Document (RFD). This methodology is based on the Guidelines for preparing RFD, developed by the Performance Management Division (PMD), Cabinet Secretariat, and approved by the High Power Committee on Government Performance. Hence, this methodology is a complement to the RFD Guidelines and should be read along with it.

The RFD evaluation methodology outlined in this document is intended to provide a benchmark against which the design of an RFD can be evaluated. It provides an agreed definition of "quality" in the context of designing RFD. In the absence of such a shared understanding, there is a danger that the "quality" of RFD, like beauty, could lie in the eyes of the beholder.

II. APPROACH

Any 'evaluation' essentially involves comparing achievement against a target. Therefore, to evaluate the quality of an RFD we must agree on the target against which we shall judge the quality of RFD. Since RFD is supposed to be designed as per the RFD Guidelines, it is only logical and fair to use the RFD Guidelines as the benchmark / target for judging the quality of an RFD. In other words, our approach is to ascertain how well the RFD Guidelines were followed to draft the RFD that is being evaluated.

The Results-Framework Document Evaluation Methodology (REM) is a useful analytical tool designed to assess all RFD sections across all Departments using the same methodology and minimizing the subjectivity of the assessments.

For each section of RFD we have provided a number of assessment criteria against which a score is assigned, using the same 5 points rating scale already in use for the RFDs (from 60% to 100%). These criteria are largely based on the RFD Guidelines document. They comprise quantitative and qualitative criteria. Quantitative criteria aim to capture risks and limitations in a numerical way (e.g. "percentage of data populated"); qualitative criteria are applied to assessment areas for which a numerical analysis is not feasible but can indeed be measured against the agreed Guidelines for preparing RFD.

III. TARGET AUDIENCE

This methodology is meant primarily for the organizations preparing RFDs. It provides a convenient checklist for a self-audit. To ensure that all stakeholders are on the same page, this methodology is also meant for providing a useful platform during the departmental discussions with members of the Ad-hoc Task Force.

IV. RATIONALE AND IMPORTANCE OF REM

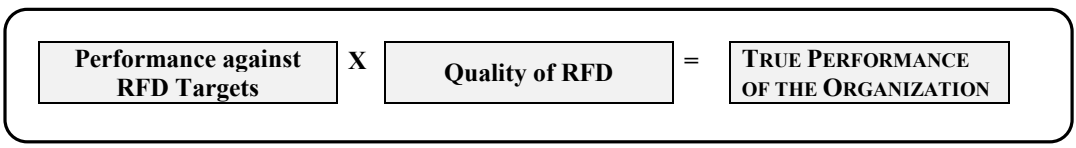
RFD policy is based on the following fundamental principle of management: *What gets measured gets done*. This principle is transcendental in its application and it also applies, in equal measure, to the 'quality' of RFD. Unless we have an agreed yardstick for measuring the 'quality' of RFD, we will not be able to determine whether successive drafts represent an improvement or otherwise. Indeed, we will not be able to determine whether all our collective efforts are improving the 'quality' of RFDs over time.

In addition, we believe that the quality of deliberations and discussions would be much more systematic and objective. It will bring rigor and, therefore, greater credibility to our critiques of RFD.

Above all, we need to remember that RFD is a means towards an end and not an end in and of itself. The purpose of RFD is to improve performance of an organization by giving the departmental managers clear, meaningful and unambiguous targets and evaluating their performance by comparing their achievements against these targets.

If, however, the quality of targets is not very meaningful, then the achieving these targets is not likely to be very meaningful. This then is the reason for ensuring that targets in RFD are meaningful. For example, the meaningfulness of targets depends, among other things, on their alignment with vision, mission and objectives. This is just another way of saying that quality of RFD matters.

The following heuristic equation captures the essence of the above arguments:



For example:

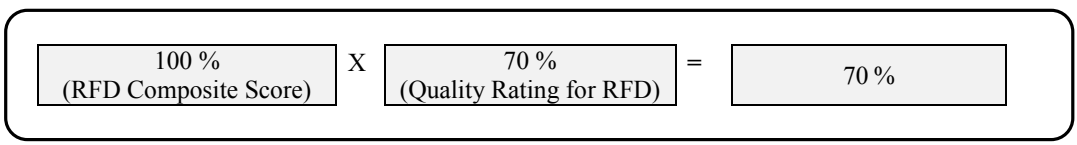


Figure 1: Heuristic Equation Explaining True Performance of an Organization

In simple words, if the quality of your RFD is 70%, then the maximum score that you can get is 70%. The quality of RFD provides the upper limit on the maximum score a department can get.

V. CALCULATING OVERALL QUALITY RATING OF RFD

As we know, an RFD contains the following six sections:

Section 1 Ministry's /department's Vision, Mission, Objectives and Functions

Section 2 *Inter se* priorities among key objectives, success indicators and targets

Section 3 Trend values of the success indicators

Section 4 Description and definition of success indicators and proposed measurement methodology

Section 5 Specific performance requirements from other departments that are critical for delivering agreed results

Section 6 Outcome / Impact of activities of department/ministry

Figure 2: Summary of the Six Sections of the RFD

Hence, the overall quality of RFD would depend on the quality of each section and the relative priority of the section. Table 1 summarizes the relative weights for each of the six sections of the RFD and illustrative calculations used for arrive at the Overall Quality Rating for the RFD as well.

The distribution of relative weights among various sections was decided after extensive consultations with all stakeholders, including members of the Ad-Hoc Task Force (ATF).

Table 1
Distribution of Relative Weights and Illustrative Calculation of Overall Quality Rating

Section of RFD	Section Description	Weight	Raw Score for the Section	Weighted Raw Score for the Section	Source of Data
1 (A)	Vision	5	90.0	4.50	Table 2
1 (B)	Mission	5	90.0	4.50	Table 3
1 (C)	Objectives	5	97.0	4.85	Table 4
2	*Inter se* priorities among key objectives, success indicators and targets	40	87.9	35.00	Table 5
3	Trend values of the success indicators	15	90.0	13.50	Table 10
4	Description and definition of success indicators and proposed	5	86.0	4.30	Table 11

Section of RFD	Section Description	Weight	Raw Score for the Section	Weighted Raw Score for the Section	Source of Data
	measurement methodology				
5	Specific performance requirements from other departments that are critical for delivering agreed results	5	85.0	4.25	Table 12
6	Outcome / Impact of activities of department/ministry	20	88.0	17.6	Table 13
	Total Weight =	100			
Overall Quality Rating for RFD =				**88.5**	

In the following sections we will explain the criteria and their relative weights in evaluating the quality of each section of RFD.

VI. EVALUATION OF ORGANIZATION'S VISION (SECTION 1A)

According to RFD Guidelines, Vision is an idealized state for the department. It is the big picture of what the leadership wants the department to look like in the future.

Vision is a symbol, and a cause to which we want to bond the stakeholders, (mostly employees and sometime other stake-holders). As they say, the people work best, when they are working for a cause, than for a goal. Vision provides them that cause.

Vision is a long-term statement and is typically generic and grand. Therefore, a vision statement does not change from year to year unless the department is dramatically restructured and is expected to undertake very different tasks in the future.

Vision should never carry the 'how' part of vision. For example 'To be the most admired brand in Aviation Industry' is a fine vision statement, which can be spoiled by extending it to 'To be the most admired brand in the Aviation Industry by providing world-class in-flight services.' The reason for not including 'how' is that the 'how' part of the vision may keep on changing with time.

Writing up a Vision statement is not difficult. The problem is to make employees engaged with it. Many a time, terms like vision, mission and strategy become more a subject of scorn than being looked up-to. This is primarily because leaders may not be able to make a connection between the vision/mission and employees every day work. Too often, employees see a gap between the vision, mission and their goals and priorities. Even if there is a valid/tactical reason for this mismatch, it is not explained. The leadership of the ministry (Minister and the Secretary) should therefore consult a wide cross section of employees and come up with a Vision that can be owned by the employees of the ministry/department.

Vision should have a time horizon of 10-15 years. If it is less than that, it becomes tactical. If it has a horizon of 20+ years (say), it becomes difficult for the strategy to relate to the vision.

Features of a good vision statement:

- Easy to read and understand.
- Compact and crisp – leaves some things for people's imagination.
- Gives the destination and not the road-map.
- Is meaningful and not too open-ended and far-fetched.
- Excites people and makes them feel energized.
- Provides a motivating force, even in hard times.
- Is perceived as achievable and at the same time is challenging and compelling, stretching us beyond what is comfortable.

The entire process starting from the Vision down to the objectives is highly iterative. The question is from where we should start? We strongly recommend that vision and mission statement should be made first without being colored by constraints, capabilities and environment. It is akin to the vision of several armed forces: 'Keeping the country safe and secure from external threats'. This vision is non-negotiable and it drives the organization to find ways and means to achieve their vision, by overcoming constraints on capabilities and resources. Vision should be a stake in the ground, a position, a dream, which should be prudent, but should be non-negotiable barring few rare circumstances.

From the above guidance on Vision we have culled out the following key criteria for evaluating the quality of a Vision statement included in an RFD. A Vision statement should:

1 deal with "what" the organization wants to achieve and not the "how" it intends to achieve it
2 be 'Forward' looking and focus on the destination and not on past achievements
3 be succinct and clear
4 Be inspiring and engaging

The Table 2 below shows the distribution of weight across these criteria and an illustrative calculation of the quality rating for Vision statement.

Table 2
Distribution of Relative Weights and
Illustrative Calculation of Quality Rating for Vision Statement

	Criteria to evaluate quality of a Vision Statement	Weight	Criteria Values					Raw Score	Weighted Raw Score	Source of Data
			Excellent	Very Good	Good	Fair	Poor			
			100%	90%	80%	70%	60%			
1	The "What", not the "How"	0.25		X				90	22.5	See above for guidance
2	Forward looking	0.25		X				90	22.5	
3	Succinct and clear	0.25	X					100	25	
4	Inspiring and	0.25			X			80	20	

	Criteria to evaluate quality of a Vision Statement	Weight	Criteria Values					Raw Score	Weighted Raw Score	Source of Data
			Excellent	Very Good	Good	Fair	Poor			
			100%	90%	80%	70%	60%			
	Engaging									
Quality Rating for Vision Statement =									**90.0**	

When a person evaluating the RFD gives less than 100% for any of the criteria, then the person must provide an explanation for arriving at this conclusion. Clearly, these four criteria require judgment. But by narrowing down the criteria we believe that the variation between experts evaluating RFD will be minimized, if not eliminated. Where we find that using the same criteria, experts come to very different and divergent ratings, then we may have to fine-tune the criteria and weights.

It is important to note that a flawed Vision can have an exponentially distorting effect on the quality of RFD. If Mission and Objectives are aligned to a flawed Vision, then the document takes us in a completely different direction. Hence, the importance of a well-crafted Vision cannot be underestimated. Ideally, 'Total Raw Score' of Vision, Mission and Objectives could be derived as a multiplicative score rather than as an additive score. However, in this version of REM, we use additive scores and have not explicitly incorporated this source of potential distortion.

VII. EVALUATION OF ORGANIZATION'S MISSION (SECTION 1B)

An organization's M*ission* is the nuts and bolts of the vision. Mission is the 'who, what, and why' of the department's existence.

We strongly recommend that mission should follow the vision. This is because the purpose of the organization could change to achieve their vision. The vision represents the big picture and the mission represents the necessary work.

Mission of the department is the purpose for which the department exists. It is in one of the ways to achieve the vision.

Famous management expert Mintzberg defines a mission as follows:

"A mission describes the organization's basic function in society, in terms of the products and services it produces for its customers."

Vision and Mission are part of strategic planning exercise. To see the relation between the two, consider following definitions:

1. **Vision:** outlines what the organization wants to be, or how it wants the world in which it operates to be (an "idealised" view of the world). It is a long-term view and concentrates on the future. It can be emotive and is a source of inspiration. For example, a charity working with the poor might have a vision statement which reads "A World without Poverty."

- **Mission:** Defines the fundamental purpose of an organization or an enterprise, succinctly describing why it exists and what it does to achieve its vision. For example, the charity above might have a mission statement as "providing jobs for the homeless and unemployed".

To evaluate the quality of a Mission Statement in an RFD we have agreed to use the following criteria:

1 Is the Mission aligned with Vision (follows the level of Vision and is long-term)?
2 Does the Mission deal with "how" Vision will be achieved but at higher levels of conceptualization than Objectives?
3 Is Mission Statement succinct and clear?

The Table 3 below shows the distribution of weight across these criteria and an illustrative calculation of the quality rating for Vision statement.

Table 3
Distribution of Relative Weights and
Illustrative Calculation of Quality Rating for a Mission Statement

	Criteria to evaluate quality of a Mission Statement	Weight	Criteria Values					Raw Score	Weighted Raw Score	Source of Data
			Excellent	Very Good	Good	Fair	Poor			
			100%	90%	80%	70%	60%			
1	Aligned with Vision (follows the level of Vision and is long-term)	0.4		X				90	36	See Above for Guidance
2	The "How" (at higher levels than Objectives)	0.3		X				90	27	
3	Succinct & clear	0.3		X				90	27	
Quality Rating for Mission Statement =									**90**	

VIII. Evaluation of Organization's Objectives (Section 1C)

Objectives represent the developmental requirements to be achieved by the department in a particular sector by a selected set of policies and programmes over a specific period of time (short-medium-long). For example, objectives of the Ministry of Health and Family Welfare could include: (a) reducing the rate of infant mortality for children below five years; and (b) reducing the rate of maternity death by the end of the development plan.

Objectives could be of two types: (a) Outcome Objectives address ends to achieve, and (b) Process Objectives specify the means to achieve the objectives. As far as possible, the department should focus on Outcome Objectives.[1]

Objectives should be directly related to attainment and support of the relevant national objectives stated in the relevant Five Year Plan, National Flagship Schemes, Outcome Budget and relevant sector and departmental priorities and strategies, President's Address, the manifesto, and announcement/agenda as spelt out by the Government from time to time.

Objectives should be linked and derived from the Departmental Vision and Mission statements.

In view of the above, we believe that quality of the objectives should be judged by the following four criteria:

1. Alignment with Mission and Vision

Here we should ask ourselves whether achievement of the objectives specified would lead us to achieve departmental vision and mission. This is not an exact science and judgment would be required. For example, if the Vision of a department is "Healthy Nation" then it would seem "Reducing Child Mortality" would be an objective that could be considered aligned with departmental vision.

2. Results-driven (At the level of program rather than actions)

If a department's vision includes "Safer Roads" then an objective of "increasing awareness about road safety" would be considered well aligned and focusing at program level as it focuses on "road Safety Awareness Program."

However, if the department were to include an objective such as "conducting road safety awareness programs," it would still be aligned to departmental Vision of 'Safer Roads' but it would be more at the level of action than program.

3. Appropriate number of objectives (no duplication or redundancies in objectives, no conflicts in articulated objectives)

Management experts generally recommend that the number of objectives for a normal organization should not generally exceed eight. Of course, large organizations will tend to have more objectives and smaller ones will have less. We propose that the following guidelines should be used for determining the appropriate number of objectives:

Excellent	Very Good	Good	Fair	Poor
8-10	7 or 11	6 or 12	5 or 13	≤4 or ≥14

Figure 3: Appropriate Number of Objectives

[1] Often a distinction is also made between "Goals" and "Objectives." The former is supposed to be more general and latter more specific and measurable. The Vision and Mission statement are expected to capture the general direction and future expected outcomes for the department. Hence, only the inclusion of objectives in Section 1 is required.

These are only guidelines and should, like any other guideline, be used judiciously and not mechanically.

4. Non duplication, non-redundancy and absence of overt conflicts in stated objectives

It is also important to make objectives crisp and non-duplicative. We should not include redundant statements and generalities as objectives. Even more importantly, we should not have explicitly contradictory and overtly conflicting objectives.

The Table 4 below shows the distribution of weight across these four criteria and an illustrative calculation of the quality rating for the section dealing with 'Objectives.'

Table 4
Distribution of Relative Weights and
Illustrative Calculation of Quality Rating for list of Organizational Objectives

	Criteria to evaluate quality of Objectives	Weight	Criteria Values					Raw Score	Weighted Raw Score	Source of Data
			Excellent	Very Good	Good	Fair	Poor			
			100%	90%	80%	70%	60%			
1	Aligned with Mission	0.3	X					100	30	See above for Guidance
2	Results-driven (At the level of program rather than actions)	0.3		X				90	27	See above for Guidance
3	Appropriate number of objectives	0.2	X					100	20	See above for Guidance
4	Non duplication, non-redundancy and absence of overt conflicts in stated objectives	0.2	X					100	20	See above for Guidance
Quality Rating for Objectives =									**97**	

IX. Evaluation of Section 2 of RFD

The heart of any RFD is Section 2 and the heart of Section 2 is Figure 4. That is why in the overall rating of RFD, this section has a weight of 40%. The description of each column is given in the Guidelines for RFD.

Column 1	Column 2	Column 3	Column 4		Column 5	Column 6				
Objective	Weight	Actions	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
Objective 1		Action 1								
		Action 2								
		Action 3								
Objective 2		Action 1								
		Action 2								
		Action 3								
Objective 3		Action 1								
		Action 2								
		Action 3								

Data for this table will be provided by the Department.
Not to be filled for REM

Figure 4: Format of Section 2 of RFD

The following is the summary table for the evaluation of Section 2 of the RFD:

Table 5
Distribution of Weight and Sample Calculation of Quality Rating for Section 2

	Criteria to evaluate Quality of Targets for SIs	Weight	Criteria Values					Raw Score	Weighted Raw Score	Source of Data
			Excellent	Very Good	Good	Fair	Poor			
			100%	90%	80%	70%	60%			
1	Extent to which actions (in Column 3 of RFD) adequately capture objectives	15		X				90	13.5	See below for guidance
2	Extent to which success indicators (Column 4 of RFD) adequately capture Actions	15	X					100	15.0	See below for guidance
3	Quality / Nature of Success Indicators (SIs)	40			X			81	32.4	Table 6

	Criteria to evaluate Quality of Targets for SIs	Weight	Criteria Values					Raw Score	Weighted Raw Score	Source of Data
			Excellent	Very Good	Good	Fair	Poor			
			100%	90%	80%	70%	60%			
4	Appropriateness of distribution of weight among objectives	15		X				90	13.5	See below for guidance
5	Quality of targets for respective Success Indicators in RFD	15		X				90	13.5	Table 9
Rating for Quality of Targets =									**87.9**	

Brief guidance on Table 5:

The following five criteria are proposed for assessing the quality of elements of Section 2 of the RFD given in Table 5 above:

1. Do actions (in Column 3) adequately capture objectives?

For each objective, the department must specify the required policies, programmes, schemes and projects. Often, an objective has one or more policies associated with it. Objective represents the desired "end" and associated policies, programs and projects represent the desired "means." The latter are listed as "actions" under each objective.

Assessors and evaluators should use their domain knowledge and knowledge of the department to ensure all key actions are listed under various objectives. Often, departments do not mention some key schemes under action just because they feel they may not be able to achieve the expected target for such important schemes.

Ideally, all actions, taken together, should cover close to 100% of plan funds. But money is not everything. Evaluators must ensure that those actions that may not require money are also being adequately covered.

In evaluating this aspect, we should also examine whether actions from previous years have been dropped for valid reasons.

2. Do success indicators (Column 4) adequately capture Actions?

For each of the "action" specified in Column 3, the department must specify one or more "success indicators." They are also known as "Key Performance Indicators (KPIs)" or "Key Result Indicators (KRIs)." A success indicator provides a means to evaluate progress in

implementing the policy, programme, scheme or project. Sometimes more than one success indicator may be required to tell the entire story.

Success indicators should consider both '*qualitative'* and *'quantitative'* aspects of departmental performance.

3. Quality / Nature of Success Indicators (SIs)

In selecting success indicators, any duplication should be avoided. For example, the usual chain for delivering results and performance is depicted in Figure 5. An example of this results chain is depicted in Figure 6.

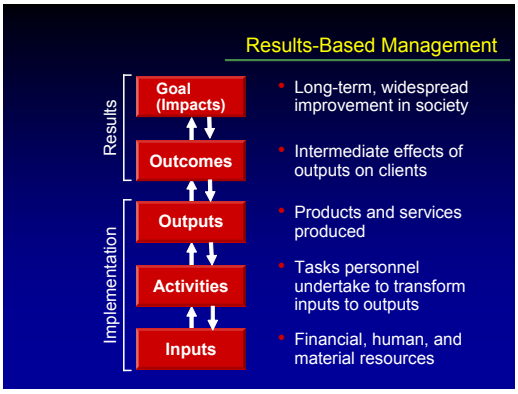


Figure 5: Typical Results Chain

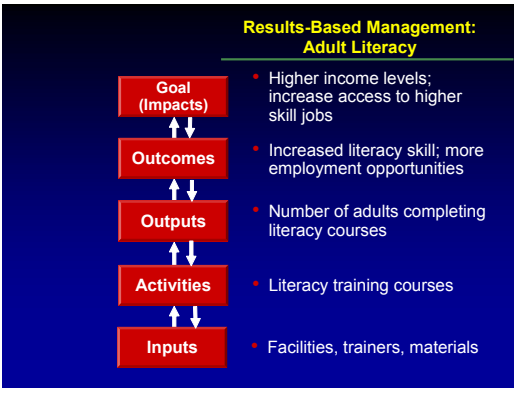


Figure 6: An Example of Results Chain

If we use Outcome (increased literacy) as a success indicator, then it would be duplicative to also use inputs and activities as additional success indicators.

Ideally, one should have success indicators that measure Outcomes and Impacts. However, sometimes due to lack of data one is able to only measure activities or output.

The common definitions of these terms are as follows:

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

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

iii. **Outputs:** The products, capital goods and services that result from a development intervention; may also include changes resulting from the intervention which are relevant to the achievement of outcomes. Sometimes, 'Outputs' are divided into two sub categories – internal and external outputs. 'Internal' outputs consist of those outputs over which managers have full administrative control. For example, printing a brochure is considered an internal output as it involves spending budgeted funds in hiring a printer and giving orders to print a given number of brochures. All actions

required to print a brochure are fully within the manager's control and, hence, this action is considered **'Internal' output**. However, having these brochures picked up by the targeted groups and, consequently, making the desired impact on the target audience would be an example of external output. Thus, actions that exert influence beyond the boundaries of an organization are termed as **'external' outputs**.

iv. **Outcome:** The likely or achieved short-term and medium-term effects/ impact of an intervention's Outputs

The quality score for SIs is calculated as shown in Table 6 below:

Table 6
Calculation for Quality Score for SIs

	Criteria to evaluate Quality of Success Indicators (SIs)	Weight	Criteria Values					Raw Score	Weighted Raw Score	Data flows from REM Table
			Excellent	Very Good	Good	Fair	Poor			
			100%	90%	80%	70%	60%			
1	Outcome-Orientation of Success Indicators	0.90			X			80	72.0	From Table 7
2	Quality-Orientation of Success Indicators	0.10		X				90	9.0	From Table 8
							Quality Rating for SIs =		**81.0**	

The **Outcome—Orientation** of Success Indicators is calculated as follows in Table 7:

Table 7
Calculation of Outcome—Orientation of Success Indicators

	Criteria to evaluate Outcome Orientation of Success Indicators (SIs)	Weight	Criteria Values					Raw Score	Weighted Raw Score	Data flows from REM Table
			Excellent	Very Good	Good	Fair	Poor			
			100%	90%	80%	70%	60%			
			Outcome	External Output	Internal Output	Activity	Input			
1	Success Indicator 1	0.3			X			80	24	
2	Success Indicator 2	0.3	X					100	30	
3	Success	0.2				X		70	14	See

	Criteria to evaluate Outcome Orientation of Success Indicators (SIs)	Weight	Criteria Values					Raw Score	Weighted Raw Score	Data flows from REM Table
			Excellent	Very Good	Good	Fair	Poor			
			100%	90%	80%	70%	60%			
			Outcome	External Output	Internal Output	Activity	Input			
	Indicator 3									Above for Guidance
4	Success Indicator 'N'	0.2					X	60	12	
Quality Rating for Outcome—Orientation of Success Indicators =									**80**	

The **Quality—Orientation** of Success Indicators is calculated as follows:

Table 8
Calculation of Quality—Orientation of Success Indicators

	Criteria to evaluate Quality-Orientation of Success Indicators (SIs)	Weight	Criteria Values					Raw Score	Weighted Raw Score	Source of Data
			Excellent	Very Good	Good	Fair	Poor			
			100%	90%	80%	70%	60%			
			5 SIs	4 SIs	3 SIs	2 SIs	1 SI			
1	Number of indicators explicitly measuring quality of Government Performance	100		X				90	90	
Rating for Quality—Orientation of Success Indicators =									**90**	

4. Is the distribution of weigh among objectives appropriate to capture the relative emphases required for achieving the Mission and Vision of the organization?

Objectives in the RFD (Column 1 of figure 4) should be ranked in a descending order of priority according to the degree of significance and specific weights should be attached to these objectives. The Minister in-charge will ultimately have the prerogative to decide the *inter se* priorities among departmental objectives and all weights.

If there are multiple actions associated with an objective, the weight assigned to a particular objective should be spread across the relevant success indicators.

5. What is the quality of targets for respective Success Indicators in RFD?

Targets are tools for driving performance improvements. Target levels should, therefore, contain an element of stretch and ambition. However, they must also be achievable. It is possible that targets for radical improvement may generate a level of discomfort associated with change, but excessively demanding or unrealistic targets may have a longer-term demoralizing effect.

The target for each SI is presented as per the five-point scale given below:

Excellent	Very Good	Good	Fair	Poor
100 %	90%	80%	70 %	60 %

Figure 7: Target of SI

It is expected that budgetary targets would be placed at 90% (Very Good) column. For any performance below 60%, the department would get a score of 0%.

Table 9 summarizes the criteria for judging the quality of targets:

Table 9
Rating for Quality of Targets for each SI

	Criteria to evaluate Quality of Targets for SIs	Weight	Criteria Values					Raw Score	Weighted Raw Score	Source of Data
			Excellent	Very Good	Good	Fair	Poor			
			100%	90%	80%	70%	60%			
1	Consistency with Planning Commission / MOF Targets	70		X				90	63	See Figure 8
2	Degree of Stretch	30	X					100	30	See Figure 8
Rating for Quality of Targets =									**93**	

Following Figure provides guidelines for evaluating the degree of consistency of targets and also establishing the degree of stretch (challenge) built in targets.

	Criteria to evaluate Quality of Targets for SIs	Criteria Values				
		Excellent	Very Good	Good	Fair	Poor
		100%	90%	80%	70%	60%
1	Consistency with Planning Commission / MOF Targets	100 % targets are consistent	90 % targets are consistent	80 % targets are consistent	70 % targets are consistent	60 % targets are consistent

	Criteria to evaluate Quality of Targets for SIs	Criteria Values				
		Excellent	Very Good	Good	Fair	Poor
		100%	90%	80%	70%	60%
2	Degree of Stretch	100% targets are challenging	90% targets are challenging	80% targets are challenging	70% targets are challenging	60% targets are challenging

Figure 8: Guidelines for Evaluating the Degree of Consistency of Targets

To establish whether targets are consistent with Planning Commission / MOF targets, we will need the departments to show evidence. For major targets it can be ascertained from Annual Plan, 12th Plan documents, approved demand for grants, and Outcome Budget.

To determine whether the targets are challenging one has to use one's judgment and look at many sources of information. Clearly, information from Section 3 would be among one of the most useful sources of information for this purpose.

The summary table for the calculation of the Quality of Section 2 of the RFD is reproduced below again for reference.

Table 5
Distribution of Weight and Sample Calculation of Quality Rating for Section 2

	Criteria to evaluate Quality of Targets for SIs	Weight	Criteria Values					Raw Score	Weighted Raw Score	Source of Data
			Excellent	Very Good	Good	Fair	Poor			
			100%	90%	80%	70%	60%			
1	Extent to which actions (in Column 3 of RFD) adequately capture objectives	15		X				90	13.5	See above for guidance
2	Extent to which success indicators (Column 4 of RFD) adequately capture Actions	15	X					100	15.0	See above for guidance
3	Quality / Nature of Success Indicators (SIs)	40			X			81	32.4	Table 6

	Criteria to evaluate Quality of Targets for SIs	Weight	Criteria Values					Raw Score	Weighted Raw Score	Source of Data
			Excellent	Very Good	Good	Fair	Poor			
			100%	90%	80%	70%	60%			
4	Appropriateness of distribution of weight among objectives	15		X				90	13.5	See above for guidance
5	Quality of targets for respective Success Indicators in RFD	15		X				90	13.5	Table 9
Rating for Quality of Targets =									**87.9**	

X. Evaluation of Section 3 of RFD

For every success indicator and the corresponding target, Section 3 of RFD provides target values and actual values for the past two years and also projected values for two years in the future (reproduced below). The inclusion of target values for the past two years *vis-a-vis* the actual values are expected to help in assessing the robustness of the target value for the current year. However, one cannot begin to evaluate the robustness or otherwise without data in Section 3. Therefore, Table 10 measures the degree to which the data for Section 3 has been provided in the RFD.

Objective	Actions	Success Indicator	Unit	Actual Value for FY 11/12	Actual Value for FY 12/13 (anticipated)	Target Value for FY 13/14	Projected Value for FY 14/15	Projected Value for FY 15/16
Objective 1	Action 1							
	Action 2							
	Action 3							
Objective 2	Action 1							
	Action 2							
	Action 3							
Objective 3	Action 1							
	Action 2							
	Action 3							

Data for this table will be provided by department
Not to be filled for REM

Figure 9: Section 3 of the RFD - Trend Values for Success Indicators

To evaluate the quality of Section 3 of RFD we have agreed to use the following criterion:

Table: 10
Calculation of Quality Rating of Section 3 of the RFD
Percentage of Data Populated

	Criterion to evaluate Quality of Section 3	Weight	Target / Criterion Value					Raw Score	Weighted Raw Score	Source of Data
			Excellent	Very Good	Good	Fair	Poor			
			100%	90%	80%	70%	60%			
1	Percentage of data populated	100		X				90	90	See Above for Guidance
Quality Rating for Section 3 =									**90**	

This is a basic requirement for any management effort. Unless the trend values of the previous and future years are available, it is difficult to assess whether the targets in RFD are challenging or not.

To assess the value under this criterion, we need to count the total number of cells which contain data. For each success indicator there should be 5 data values – the data for previous 2 years, the current year target value and the data for future two years.

$$\textbf{Percentage of data populated} = \frac{\text{Number of cells containing data}}{\text{Total number of SIs X 5}}$$

Figure 10: Formula for Calculating the Percentage of Data Populated

There are only two legitimate reasons for not having data in a particular cell of Section 3.

1. The success indicator is being used for the first time and no records were maintained in this regard in the past
2. The values are in dates and hence they do not represent a trend and using them is not meaningful.

XI. Evaluation of Section 4 of RFD

RFD is a public document and hence it must be easily understood by a well-informed average stakeholder. Towards this end, RFD contains a section giving detailed definitions of various success indicators and the proposed measurement methodology. Abbreviation/acronyms and other details of the relevant scheme are also expected to be listed in this section.

Wherever appropriate and possible, the rationale for using the proposed success indicators should be provided as per the format in the RFMS. Figures 11 and 12 give a sample of Section 4 data from Department of AYUSH (Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy).

Acronym	Description
ASU	Ayurveda, Siddha and Unani
ASUDCC	Ayurveda, Siddha and Unani Drugs Consultative Committee
ASUDTAB	Ayurveda, Siddha and Unani Drugs Technical Advisory Board
AYUSH	Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy
CHCs	Community Health Centres
COE	Centre of Excellence
D and C	Drugs and Cosmetics

Figure 11: Sample of select Acronyms from Section 4 of Department AYUSH RFD

Success Indicator	Description	Definition	Measurement	General Comments
[1.1.1] Primary Health Centres/ Community Health Centres/District Hospitalscovered	Completion of infrastructure, equipment, furniture and provision of medicines for the co-located AYUSH Units of Primary Health Centres (PHCs), Community Health Centres (CHCs) & District Hospitals (DHs).	Co-located AYUSH Health Care Units at Primary Health Centres (PHCs), Community Health Centres (CHCs) & District Hospitals (DHs) implies facilities for provision of AYUSH health services along with allopathic health services.	Number of Units	As per approved norms, assessments of the needs will be measured through the appraisal of the Programme Implementation Plan(PIP) of the State Governments and the outcomes shall be monitored through progress reports and periodical reviews.

Figure 12: Sample of SI Definition and Measurement Methodology from Section 4 of AYUSH RFD

To evaluate the Section 4 of RFD we have agreed to use the following criteria:

1. Whether all acronyms used in the body of the RFD have been explained in simple layman's terms?
2. Whether necessary explanations and justifications have been given for using a particular type of success indicator, where required?
3. If so, what is the quality of explanations?

The Table 11 below shows the distribution of weight across these criteria and an illustrative calculation.

Table 11
Distribution of Weight among Criteria and Illustrative Calculation of Quality of Section 4 of the RFD

	Criteria to evaluate quality of Section 4	Weight	Target / Criteria Value					Raw Score	Weighted Raw Score	Source of Data
			Excellent	Very Good	Good	Fair	Poor			
			100%	90%	80%	70%	60%			
1	All Acronyms have been explained	0.1	X					100	10	See Above for Guidance
2	Necessary explanations have been given for SIs?	0.5		X				90	45	See Above for Guidance
3	Quality of explanations?	0.4			X			80	32	See Above for Guidance
Quality Rating for Section 4 =									**87**	

XII. Evaluation of Quality of Section 5 in RFD

Section 5 of RFD should contain expectations from other departments that impact the department's performance and are critical for achievement of the selected Success Indicator. These expectations should be mentioned in quantifiable, specific, and measurable terms. While listing expectations, care should be taken while recording as this would be communicated to the relevant Ministry/Department and should not be vague or general in nature. This should be given as per the new format incorporated in the RFMS.

Location Type	State	Organization Type	Organization Name	Relevant Success Indicator	What is your requirement from this organization	Justification for this requirement	Please quantify your requirement from this Organization	What happens if your requirement is not met
		Data for this table will be provided by the Department. Not to be entered for REM.						

Figure 13: Sample Section 5 from RFD

To evaluate the Section 5 of RFD we have agreed to use the following criteria:

4. Whether claims of dependencies/requirements from other departments are appropriate or not?
5. Whether requirements from other departments/ claims of dependencies are specific or not?

Table 12 below shows the distribution of weight across these two criteria and an illustrative calculation:

Table 12
Distribution of Weight and Illustrative Calculation of Quality of Section 5 of the RFD

	Criteria to evaluate Quality of Section 5	Weight	Target / Criteria Value					Raw Score	Weighted Raw Score	Source of Data
			Excellent	Very Good	Good	Fair	Poor			
			100%	90%	80%	70%	60%			
1	Appropriateness of claims of dependencies	0.5		X				90	45	See Above for Guidance
2	Specificity of requirements / claims of dependencies	0.5			X			80	40	See Above for Guidance
Quality Rating for Section 5=									**85**	

XIII. EVALUATION OF QUALITY OF SECTION 6 OF RFD

This section should contain the broad outcomes and the expected impact the department/ministry has on national welfare. It should capture the very purpose for which the department/ministry exists.

This section is included for information only and to keep reminding us about not only the purpose of the existence of the department/ministry but also the rationale for undertaking the RFD exercise. However, the evaluation will be done against the targets mentioned in Section 2. The whole point of RFD is to ensure that the department/ministry serves the purpose for which they were created in the first place.

The required information under this section should be entered in Figure 14. The Column 2 of Table 16 is supposed to list the expected outcomes and impacts. It is possible that these are also mentioned in the other sections of the RFD. Even then they should be mentioned here for clarity and ease of reference. For example, the purpose of Department of AIDS Control would be to Control the spread of AIDS. Now it is possible that AIDS control may require collaboration between several departments like Health and Family Welfare, Information and Broadcasting, etc. In Column 3 all the departments / ministries jointly responsible for achieving national goal are required to be mentioned. In Column 4 department/ministry is expected to mention the success indicator (s) to measure the department/ministry outcome or impact. In the case mentioned, the success indicator could be "% of Indians infected with AIDS." Columns 6 to 10 give the expected trend values for various success indicators.

S. No	Outcome / Impact	Jointly responsible for influencing this outcome / impact with the following organisation (s) / departments/ministry(ies)	Success Indicator (s)	Unit	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016

Data for this table will be provided by the Department. Not to be entered for REM.

Figure 14: Outcome / Impact of activities of department/ ministry

To evaluate the Section 6 of RFD we have agreed to use the following criteria:

1. Percentage of Objectives from Section 1 covered under Section 6?
2. Percentage of results-driven Outcome/Impact statements
3. Percentage of results-driven success indicators

The Table 13 below shows the distribution of weight across these criteria and an illustrative calculation:

Table 13
Distribution of Weight and Sample Calculation of Quality of Section 6 of RFD

	Criteria to evaluate Quality of Section 6	Weight	Target / Criteria Value					Raw Score	Weighted Raw Score	Source of Data
			Excellent	Very Good	Good	Fair	Poor			
			100%	90%	80%	70%	60%			
1	% of objectives from Section 1 covered?	0.20	X					100	20	See Above for Guidance
2	% of Results-driven Outcome/Impact statements	0.40		X				90	36	See Above for Guidance
3	% of Results-driven success indicators	0.40			X			80	32	See Above for Guidance
Quality Rating for Section 6 =									**88**	

XIV. PUTTING IT ALL TOGETHER

We have completed the description of all the individual elements of the overall quality rating of RFD as mentioned in Table 1 earlier and reproduced below for ready reference.

Table 1
Distribution of Relative Weights and Illustrative Calculation of Overall Quality Rating

Section of RFD	Section Description	Weight	Raw Score for the Section	Weighted Raw Score for the Section	Source of Data
1 (A)	Vision	5	90.0	4.50	Table 2
1 (B)	Mission	5	90.0	4.50	Table 3
1 (C)	Objectives	5	97.0	4.85	Table 4
2	*Inter se* priorities among key objectives, success indicators and targets	40	87.9	35.00	Table 5
3	Trend values of the success indicators	15	90.0	13.50	Table 10
4	Description and definition of success indicators and proposed measurement methodology	5	86.0	4.30	Table 11
5	Specific performance requirements	5	85.0	4.25	Table 12

Section of RFD	Section Description	Weight	Raw Score for the Section	Weighted Raw Score for the Section	Source of Data
	from other departments that are critical for delivering agreed results				
6	Outcome / Impact of activities of department/ministry	20	88.0	17.6	Table 13
	Total Weight =	100			
Overall Quality Rating for RFD =				**88.5**	

The general principle for writing an RFD critique would be to take individual elements and do a consensus rating. Where ATF / evaluators fail to reach a consensus they may take the average of the individual ratings given by members.

Where judgment is involved and the score given by the evaluators is less than 100%, then the onus is on them to explain in writing the reasons for their dissatisfaction with that particular aspect of RFD.

The robustness of this methodology, in the final analysis, will be judged by how close the final ratings are of different groups evaluating the same RFD. Till they become close enough, we will need to keep improving this methodology from the experience on the ground.

Annexure F:

Description of Ad-Hoc Task Force (ATF)

To ensure highest level of objective and professional scrutiny, Cabinet Secretariat is assisted by an independent group of experts called the Ad hoc Task Force (ATF). ATF consists of distinguished academicians, domain experts, former Secretaries to the Government of India, former Chief Executives of Central PSUs and retired Corporate Heads of repute.

ATF members provide an independent expert advice to the PMD, Cabinet Secretariat on the quality of the RFD and allied documents for finalisation of RFD at the beginning of the year. The ATF members assist Cabinet Secretariat in monitoring mid-year performance of ministries/departments and also participate in the final evaluation at the end of the year.

For more information on ATF, please visit: *www.performance .gov.in*

Annexure G:

Details about High Power Committee (HPC) on Government Performance

Pursuant to the announcement made in the President's address to both Houses of the Parliament on June 04, 2009, the Prime Minister approved the outlines of the Performance Monitoring and Evaluation System (PMES) for Government Departments on September 09, 2009. As part of this system, the Prime Minister approved the development of Results-Framework Documents (RFDs) by all Ministries and Departments. RFD of the department will contain inter-alia the major objectives of the department, actions required to achieve them, and success indicators for monitoring the achievement of the department's objectives/actions.

To review the design of Results-Framework Documents as well as the achievements of each Ministry/Department against performance targets laid down therein, the Prime Minister has approved the constitution of a High Power Committee on Government Performance, consisting of the following:

Designation	Members
Chairman	Cabinet Secretary
Member	Secretary (Finance)
Member	Secretary (Expenditure)
Member	Secretary (Planning Commission)
Member	Secretary(Performance Management)
By invitation	Secretary of the department concerned

The meetings of this Committee are held under the chairmanship of Cabinet Secretary. The High Power Committee on Government Performance is serviced by the Performance Management Division, Cabinet Secretariat.

The terms of reference of the High Power Committee are as under:

1. To vet the drafts of the Results-Framework Documents prepared by ministries/departments.
2. To review after six months the achievements of each ministry/department and if required, reset the goals taking into account the priorities at that point of time.
3. Submit its half-yearly report to the Prime Minister through the concerned Minister.
4. Scrutinise the year-end evaluation results of ministries/departments and submit the same before the Cabinet for information by 1st June each year.
5. Any other matter decided to be referred to the Committee.

Annexure H:

Composite Score of D/o Agriculture and Cooperation, 2011-12



officers and employees participated in these competitions. Cash awards and certificates of appreciation were given to the winners of these competitions.

2.12 The Second Sub-Committee of the Committee of Parliament on Official Language conducted inspection of nine offices of the Department of Agriculture and Cooperation to review position regarding progressive use of Hindi in official work during the year. The officers of this Department were also present at these inspection meetings.

2.13 Reservation for Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Castes (OBCs) and others: Department of Agriculture and Cooperation continued its endeavour for strict implementation of the orders issued by the Government of India from time to time, regarding reservation in services for SCs, STs, OBCs, minorities, ex-servicemen and physically disabled persons.

2.14 Prevention of Harassment of Women Employees: A complaints committee for prevention of sexual harassment of women at their work place was reconstituted by the Department. The committee is chaired by a senior lady officer of the Department. The committee is represented by 5 members, which comprises of 4 women members, (one of these belongs to an NGO) and one male member of the Department. Three meetings of the Committee were held during the year. No complaint alleging harassment was received from any women employees in the Department during this period.

2.15 Results Framework Document (RFD): Ever since the introduction of the concept of RFD in the year 2009, to measure the performance of ministries/departments of Government of India, the Department of Agriculture & Cooperation has been preparing the RFDs every year and placing them on its website for greater transparency and public scrutiny. The RFD of the Department for the year 2012-13, as approved by the Cabinet Secretariat is at **Annexure-2.4**.

2.16 The performance of the Department against the targets set to fulfill its objectives has been very impressive over the years as evidenced from the following composite scores awarded by High Powered Committee (HPC) headed by the Cabinet Secretary:

Year	Score
2009-10	98.3 %
2010-11	99.1 %
2011-12	97.0 %

For the complete annual report of department of agriculture and cooperation please visit: *http://agricoop.nic.in*

Annexure I:
Fitch India Ratings Report on PMES-RFD

India Ratings & Research
A Fitch Group Company

Macro Research

Governance

GoI's Performance Management & Evaluation System

Covers 80 Departments and Ministries of the Government of India

Special Report

PMES – A Step in the Right Direction: India Ratings & Research (Ind-Ra) believes that the 'Performance Monitoring and Evaluation System' (PMES) is an opportune step to improve public governance and deliver better public goods/services in India. Housed in the Performance Management Division (PMD) within the Cabinet Secretariat the PMES aims to assess the performance of a particular ministry or department at the end of each fiscal against the targets fixed at the beginning of that year. The PMES not only evaluates the performance of a ministry or department on a standalone basis, but also factors in the impact of the performance of interlinked ministries/departments. The PMD has been created solely to introduce, execute and supervise the PMES.

Result Framework Document: At the core of PMES is a result framework document (RFD). It is prepared at the beginning of the fiscal year by each ministry/department in consultation with an Ad-Hoc Task Force (ATF) which consists of outside experts. RFD contains the objective, priorities and deliverables of each ministry/department for that year. It includes financial, physical, quantitative, qualitative, static efficiency and dynamic efficiency parameters. Presently, the PMES covers 80 departments and ministries and around 800 responsibility centres (attached offices/subordinate offices/ autonomous organisations).

Global Experience: A performance agreement is the most common accountability mechanism adopted by countries globally to improve quality, transparency, and effectiveness of public governance. This mechanism has been used by most of the member countries of the Organisation for Economic Co-operation and Development (OECD). Some developing countries have also implemented laws to improve governance.

PMES Must Remain a Priority for the New Government: The new Government's focus on 'minimum government and maximum governance' is a welcome step. It is in sync with the overall objective of PMES. Ind-Ra expects the new Government to not only continue with the existing PMES but also to improve and strengthen it.

Enhancing the Effectiveness of PMES: Ind-Ra believes PMES needs to be publicised extensively and widely to create awareness about this effort among various stake holders. Uploading the latest performance evaluation reports alongside the RFD documents of various ministries/departments on the PMD website will infuse confidence among people regarding PMES. To improve the effectiveness of PMES, Ind-Ra would suggest – (a) inclusion of stakeholders' suggestions/feedback at the time of RFD formulation/assessment of ministries/departments (b) a central law on the lines of 'Right to Public Services Act' introduced in Bihar in April 2011.

PMES at Subnational Level: Ind-Ra believes that there is enough scope for improving governance at all the three tiers (central, state and local) of government. Many state governments have come forward and implemented PMES. As at end February 2014, 13 Indian states had adopted PMES and it is currently at various levels of implementation in each of these sates. Seven other states have shown interest in implementing PMES. While Punjab has gone a step ahead and implemented PMES at the district level, Kerala and Meghalaya have made the performance score of their ministries/departments public.

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Importance of Governance

Governance relates to the management of all such processes that, in any society, define the environment which permits and enables individuals to raise their capability levels, on one hand, and provide opportunities to realise their potential and enlarge the set of available choices, on the other.

…….Tenth Five Year Plan, GOI

Ind-Ra believes one of the reasons for the recent slowdown of Indian economy was sub-optimal governance. Projects remained stuck in the approval process due to the absence of a clear policy roadmap. Although the Cabinet Committee on Investment (CCI) has lately cleared a large number of projects, a sizeable number are still stuck at an approval stage. Slow project implementation pushed incremental capital output ratio (ICOR) in the range of 7.6 (based on factor cost) to 11.4 (based on market prices) in FY13 from about 4 in FY08 (source: Economic Advisory Council to the Prime Minister)

Cross country empirical research suggests that a significant determinant of high total factor productivity growth is democracy. However, this occurs only insofar as stronger democratic institutions are associated with greater quality of governance.[1]

Both China and India, which grew rapidly in the last decade, were able to leverage policy reforms to attain rapid growth. Governance in China and India was better than that in other developing countries. Both the countries did not witness growth until significant improvements in governance occurred in the late 1970s and early 1980s.[2]

Various aspects of governance have been measured and analysed at the global level by different agencies (e.g. World Bank, World Economic Forum) regularly to ascertain the performance of different countries. Most transnational corporations base their investments in an economy on these governance indicators. Ind-Ra believes India has not been able to attract significant foreign direct investment (FDI) inflows due to problems associated with its governance, particularly at the sub-national level. This is despite the country being perceived as one of the top most investment destinations for FDI.

Governance in India

Governance in India since independence can be credited for creating a functioning, vibrant and pluralistic democracy, keeping the country together, attaining food security, expanding the industrial base and improving the quality of life, to name a few. On the flip side however, governance failed to adequately address the problems of basic infrastructure, unemployment, illiteracy and poverty. It also created a perception among people that government administration is self-seeking, uncaring, inefficient and corrupt.

However, as the idea that the quality of governance is linked to economic growth and development gathered pace across the globe over the last few decades, the need to improve the quality of public governance has become more pronounced even in India. Moreover, many multilateral agencies such as the United Nations Development Programme, World Bank, Asian Development Bank etc. began to focus on this link while making funding decisions.

This is not to say that the issue of public governance was not an important agenda earlier. More than fifty committees have been set up since independence to improve administrative capabilities and strengthen public governance. These include A D Gorwala Committee 1951, VT Krishnamachari Committee 1962, Committee on Plan projects 1956, Santhanam

[1] Rivera-Batiz, F. L. (2002), Democracy, Governance, and Economic Growth: Theory and Evidence. Review of Development Economics, 6: 225–247. doi: 10.1111/1467-9361.00151

[2] Keefer, Philip (2007), Governance and Economic Growth in China and India in Dancing with Giants: China, India, and the Global Economy, L. Alan Winters, Shahid Yusuf (ed), World Bank Publications, January 2007.

Committee on Prevention of Corruption 1964, the first and second Administrative Reforms Commission in 1966 and 2005 respectively, Jha Commission of Economic Administrative Reforms 1983, various pay commissions etc. As a consequence of these several changes and developments took place in public governance. The Right to Information Act 2005 was another important step in the process of bringing more transparency in public governance in the country.

Although the government of India had monitoring and evaluation systems all along to gauge the effectiveness of its programme and policies, the focus of these assessments was on input-output aspects, rather than measuring the impact or the outcome of policies and programs. The Second Administrative Reforms Commission has the following to say about the governments conventional monitoring and evaluation system, "Traditionally governance structures in India are characterized by rule-based approaches. The focus of the civil services in India is on process-regulation. With such focus on processes, systems in government are oriented towards input usage – the quantity of resources, staff and facilities deployed in a scheme, program or project and whether such deployment is in accordance with rules and regulations. The main performance measure thus is the amount of money spent; and the success of the schemes, programs and projects is therefore generally evaluated in terms of the inputs consumed."[3]

Why PMES is Required?[4]

The erstwhile systems for accountability and results in Government suffered from several limitations and they are as follows:

a) *Institutional responsibilities were fragmented* - Departments were required to report to multiple principals who often had multiple objectives that were not always consistent with each other. A department could be reporting to the Ministry of Statistics and Programme Implementation on important programmes and projects; to Department of Public Enterprises on the performance of PSUs under it; to Department of Expenditure on performance in relation to Outcome Budgets; to Planning Commission on plan targets; to CAG regarding the procedures, processes, and even performance etc.

b) *Fractured Ownership of Accountability* - Implementation and accountability for several important initiatives suffered due to fractured ownership. For example, E-Government initiatives were being led by the Department of Electronics and Information Technology, Department of Administrative Reforms and Public Grievances, NIC, as well as individual ministries.

c) *Selective coverage and Time lag* - The comprehensive Performance Audit reports of the CAG were restricted to a small group of schemes and institutions (only 14 such reports were laid before the Parliament in 2008). Moreover, they came out with a substantial lag. Often, by the time these reports were produced, both the management and the issues facing the institutions changed. Even the reports of enquiry commissions and special committees set-up to examine performance of Government departments, schemes and programmes suffered from similar limitations.

d) *Erstwhile monitoring and evaluation were conceptually flawed* - Typically, performance evaluation systems in India suffered from two major conceptual flaws. First they listed a large number of targets that were not prioritized. Hence, at the end of the year it was difficult to ascertain performance. For example, simply claiming that 14 out of 20 targets were met is not enough. It was possible that the six targets that were not met were in the areas that were the most important areas of the government/department's core mandate. Similarly, most performance evaluation systems in the Government used single point targets rather than a scale. This was the second major conceptual flaw and made it difficult to judge deviations from the agreed target. For example, how to judge the performance of the department if the target for rural roads for a particular year was 15000km and the achievement was 14500km? In the absence of explicit weights attached to each target and a specific scale of deviations, it was impossible to do a proper evaluation.

[3] Tenth Report of Second Administrative Reforms Commission (2008), Refurbishing of Personnel Administration: Scaling New Heights, Government of India.

[4] Source: Performance Management, Cabinet Secretariat, GoI

PMES in India[5]

PMD

Performance Management Division (PMD) was set up within the Cabinet Secretariat in January 2009 to monitor the performance of the various ministries and departments of the government of India (GoI). Dr. Prajapati Trivedi, an Economic Advisor to GoI from 1992-1994, was appointed Secretary (performance management) to oversee the work of the PMD. Before this Dr. Trivedi was with the World Bank and worked as a senior economist at their Washington, DC office from 1994-2009. A distinguished academician, Dr. Trivedi was STC Chair Professor of Public Sector Management at the Indian Institute of Management Calcutta (IIMC) from 1987-1992 and is currently a visiting professor at Harvard University's John F. Kennedy School of Government.



Picture courtesy: The website of the Performance Management Division

Some of the key functions of PMD are:

a) Design a state-of-the-art performance management system for the government after a comprehensive review of international best practices and create/maintain relevant national and international benchmarks for various government agencies.

b) Facilitate, discuss, design and review the results-based management framework for ministries and departments

c) Create and maintain a website to promote transparency and effective dissemination of performance information.

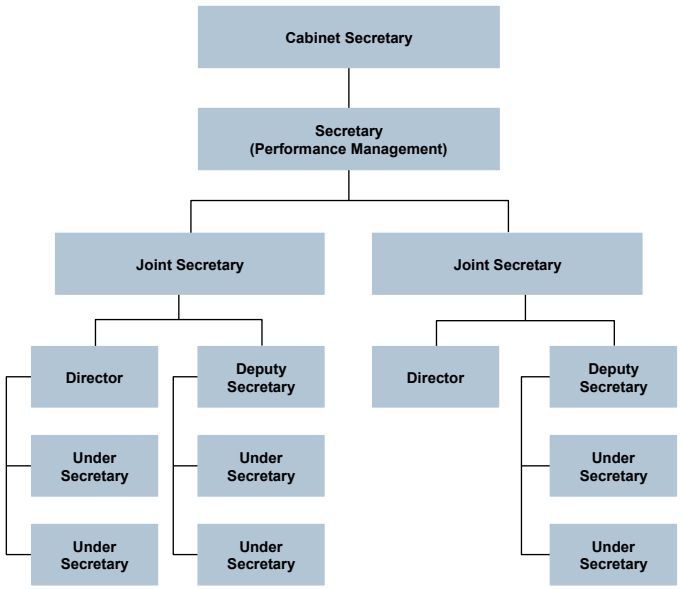
d) Develop and manage an advanced electronic (E-Government) system to generate reports for decision makers.

[5] Source: Performance Management, Cabinet Secretariat, GoI

The PMD's organisational structure:

Figure 1

PMD - Organisational Chart



Source: www.performance.gov.in

Performance Monitoring and Evaluation System (PMES):

PMES was introduced by the Government of India (GoI) for its ministries and departments with a view to assess their effectiveness in their mandated functions. It is a system to both "evaluate" and "monitor" the performance of government ministries/departments. Evaluation involves comparing the actual achievements of a ministry/department against the annual targets. In doing so, an evaluation exercise judges the ability of the ministry/department to deliver results on a scale ranging from excellent to poor. Monitoring involves a midyear review and keeping tabs on the progress made by ministries/departments towards their annual targets. PMES takes a comprehensive view of each department's performance by measuring performance of all schemes and projects (iconic and non-iconic) and all relevant aspects of expected deliverables such as: financial, physical, quantitative, qualitative, static efficiency (short run) and dynamic efficiency (long run).

A special feature of the PMES is the involvement of an Ad-Hoc task Force (ATF). ATF consists of outside experts who are distinguished academicians, domain experts, former secretaries to the GoI, former chief executives of central PSUs and corporate heads of repute. ATF members provide independent expert advice to the PMD on the quality of the RFD and allied documents for finalisation of RFD at the beginning of the year. The ATF members also assist PMD in monitoring mid-year performance of ministries/departments and also participate in the final evaluation at the end of the year. In sum, ATF is involved at every step of RFD and their involvement at various stages of PMES ensures that both the targets and the results of the ministries/departments in their mandated functions are set and evaluated objectively/impartially.

Result Framework Document (RFD):

RFD is based on the principle – ***'What gets measured gets done'***. Preparation of RFD by each ministry/department detailing priorities set out by the concerned department/ministry is the starting point of PMES. The system evaluates the performance of these ministries and departments based on the quantitative targets set at the beginning of each financial year. An important feature of PMES is the priority it has accorded to inter-ministerial linkages. If the performance of a particular department/ministry is affected by under/better performance of a linked department/ministry, the linked department/ministry is also penalised/rewarded.

Final Approval of Targets and Results:

Both the RFD's targets and results are approved by a high power committee (HPC) which consists of the following: Cabinet Secretary-Chairman, Secretary (Finance, Secretary (Expenditure), Secretary (Planning Commission), Secretary (Performance Management), and the Secretary of the department concerned. HPC and ATF review the design of RFD as well as the achievements of each ministry/department against the performance targets laid down.

How PMES Works[6]

PMES gets operationalised in three phases as follows:

a) Designing and approval of RFD
b) Evaluation and course correction
c) Final and cross departmental evaluation

a) ***Design of RFD*:**

At the beginning of each financial year, with the approval of the concerned minister, each department prepares an RFD. It consists of the following six sections

Section 1: Ministry's/department's vision, mission, objectives and functions.

Section 2: Inter se priorities among key objectives, success indicators and targets.

Section 3: Trend values of the success indicators.

Section 4: Description and definition of success indicators and proposed measurement methodology.

Section 5: Specific performance requirements from other departments that are critical for delivering agreed results.

Section 6: Outcome/impact of activities of department/ministry

The priorities are set out by the minister in view of the agenda spelt out by the party manifesto (if any). It is communicated through the President of India's address and the announcements/agenda as spelt out by the government from time to time. The minister in charge decides the inter-se priority among the departmental objectives.

Each RFD must contain select success indicators (see Annex-2). These success indicators are formulated/created with a view to improve public governance. For example, under the objective of enhanced transparency/improved service delivery each ministry/department has to put together a mechanism to address public grievances using the 'Sevottam' compliant system. One of the success indicators for this objective relates to the independent audit of implementation of the Grievance Redressal Mechanism (RDM). This simply means the degree of success in implementing GRM and the score/rating that the concerned ministry/department would get in this case would depend on the independent audit.

[6] Source: Performance Management, Cabinet Secretariat, GoI

b) *Evaluation and Course Correction*

After six months, the government reviews the achievements of each ministry/department against the performance goals laid down in the RFD. If needed, goals are reset taking into account the priorities at that point of time.

c) *Final and Cross Departmental Evaluation*

At the end of the year, the achievements of the ministry/department are compared with the targets to determine their performance. The performance is evaluated using a well-defined methodology which firstly converts the raw score (targets against achievement) into a weighted score and then converts the weighted score into a composite score. The composite score shows the degree to which the ministry/department in question was able to meet its objective. For example, in case a ministry/department gets a score of 84.7 then its performance will be rated as 'Good' according to the performance rating scale (Figure 2).

Figure 2

Composite Rating Scale

Composite score	Rating
96% - 100%	Excellent
86% - 95%	Very Good
76% - 85%	Good
66% - 75%	Fair
65% and less	Poor

Source: Performance Management, Cabinet Secretariat, GoI

While evaluating the performance of a particular ministry/department, its inter-linkages with other ministries/departments are also considered and in case its performance suffers/improves due to the under/better performance of the inert-linked ministries/departments, these bureaus are penalised/rewarded accordingly.

Progress on PMES Implementation

The progress of PMES since its introduction has been encouraging. The PMES system in its first phase (2010) covered 59 departments. Now, in its fifth year, the system extends to 80 departments and ministries and around 800 responsibility centres of the Union Government (source: GoI).

Figure 3
PMES Progress

Year	Action Taken
FY10	59 departments covered RFDs prepared Results conveyed
FY11	62 departments covered RFD prepared Mandatory indicators • Strategy development • Sevottam – CCC and GRM • Subordinate offices (RCs) covered Evaluated
FY12	79 departments covered • 73 RFDs for departments • Six RFDs for RCs Mandatory indicators • Anti-corruption measures • Action plan for ISO 9000 implementation Evaluated
FY13	80 departments covered • 74 RFDs for departments • Six RFDs for RCs Mandatory indicators • Implementation of anti-corruption action plan • Implementation of identified innovation • Implementation of ISO 9001 approved action plan • Sevottam – Implementation of audit of CCC and GRM Evaluated
FY14	RFDs prepared

CCC: Citizens'/Clients' Charter, GRM: Grievance Redressal System
Source: Performance Management, Cabinet Secretariat, GoI

PMES Report Card – Select Cases

The latest RFDs of various ministries/departments available on the website of the Performance Management Division, Cabinet Secretariat, GoI are for 2013-2014. However, in select cases RFDs for 2014-2015 are also available on the websites of some ministries/departments (e.g. Ministry of Consumer Affairs, Food and Public Distribution[7]; Ministry of Mines[8] etc.).

However, in general, the results of the performance evaluation of various ministries/departments are not available. In select cases, it is available in the annual report of the ministries/departments. The latest year for which it is available is 2011-2012.

The figure - 3 below provides a glimpse of the performance evaluation outcome for the ministry of power against select parameters of the RFD for 2011-2012 (for more details refer Annex -3).

[7] http://consumeraffairs.nic.in/consumer/writereaddata/RFD%2014-15.doc

[8] http://mines.nic.in/writereaddata%5CContentlinks%5Cab3a55627da8400dbce519d5339f8df1.pdf

Figure 4

Performance Evaluation Outcome of Power Ministry on Select Parameters, 2011-12

						Target/Criteria Value						
Objective	Action	Wt	Unit	Success Indicator	Achievement	Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%	Raw Score	Wt Raw Score
Improving Power availability	Fresh Capacity addition (Total)	0.08	MW	15,600*	20,502	15,600	14,040	12,480	10,920	9,360	100%	8.0%
Expanding the Transmission Network	Transmission lines addition/ ready for commissioning	0.01	ckm	Central = 8,195	9,774	8,159	7,343	6,527	5,711	4,895	100%	1.0%
		0.02		State = 8,620	7,421	8,620	7,758	6,896	6,034	5,172	86.1%	1.7%
		0.01		Private = 3,013	3,239	3,013	2,712	2,410	2,109	1,808	100%	1.0%
Improving power access through implementation of RGGVY	BPL Households electrification	0.08	(no in Lakhs)	52	34.44	52	47	42	36	31	66.2%	5.3%
Enhancing availability of Trained Manpower for the Power sector	Persons imparted training by NPTI	0.02	No	16,225	17,012	16,225	14,603	12,980	11,358	9,735	100%	2.0%
	Trainee weeks at NPTI	0.03	No	1,32,000	1,35,168	1,32,000	1,18,800	1,05,600	92,400	79,200	100%	3.0%

Although the tasks performed by the various ministries/departments are different, their ability to meet their commitments as set in the RFD can be compared with the help of a composite score. The weighted score obtained against each parameter in the RFD, when added provides the composite score of the ministries/departments for the reference year. Figure - 4 below provides the composite score of the performance evaluation outcome of select ministries/departments for 2011-2012.

Figure 5

Performance Evaluation 2011-2012

	Name of the Ministry/Department	Composite Score	Rating
1	Ministry of Consumer Affairs, Food and Public Distribution	77.57	Good
2	Ministry of Mines	86.73	Very Good
3	Ministry of Minority Affairs	67.34	Fair
4	Department of Agri & Cooperation, Ministry of Agriculture	97.08	Excellent
5	Ministry of Corporate Affairs	90.80	Very Good
6	Ministry of Human Resource Development	78.58	Good
7	Ministry of Civil Aviation	68.35	Fair

Source: Annual Reports/Websites of Various Ministries, GoI

Adoption at Subnational Level

Ind-Ra believes governance in India has to improve at all three tiers of the government – central, state and local bodies (rural and urban). After the initiation of PMES at the central government level in 2009, various states also started implementing PMES. As at end-February 2014, Maharashtra, Punjab, Kerala, Himachal Pradesh, Karnataka, Assam, Haryana Chhattisgarh, Tripura, Rajasthan, Andhra Pradesh, Jammu and Kashmir, Meghalaya and Mizoram had adopted the PMES/RFD policy. Other states that have shown interest in PMES/RFD include Tamil Nadu, Uttar Pradesh, Gujarat, Bihar and Puducherry. Kerala and Meghalaya have even issued a government order on the performance of various departments based on PMES (see Annex-4). Presently, Punjab is the only state which has introduced PMES at the district level.

PMES and Ind-Ra's view

Ind-Ra believes that PMES is a step in the right direction to improve public governance and is in line with international best practices. The overall objectives of the PMES are in sync with the new union government's focus on 'minimum government and maximum governance'. Ind-Ra believes that the PMES introduced by the previous government should not only continue, but also be strengthened with time. To further enhance the effectiveness of PMES Ind-Ra proposes the following:

1. PMES needs to be publicised extensively and widely to create awareness about this effort among the various stake holders
2. The most recent performance evaluation report along with the RFD document of the ministries/departments should be made available on the Cabinet Secretariat's PMD website. This would improve the transparency/accountability of the government and bolster people's faith in the PMES.
3. A mechanism needs to be put in place to include citizen's suggestions/feedback while formulating the RFD and while assessing the ministries/departments. The current grievance redressal mechanism only includes the Sevottam compliant system.
4. To further enhance the transparency and accountability of the government, PMES needs to be backed by laws such as the Right to Public Services[9].
5. Like Punjab, Ind-Ra would advocate adoption of PMES at the district level in all the states of India.

[9] By passing 'Right to Public Services Act' in April 2011 and implementing it from 15 August 2011, Bihar became the first state to have such a law in the country directed at tackling corruption, inefficiency and lack of transparency in the conduct of government affairs.

Annex – 1

Governance – Embraced by Developed and Developing Countries

The need to have more accountable governance, both in developed and developing countries has been felt for a long time. The performance agreement has been the most common accountability mechanism adopted by countries to improve quality, transparency, and effectiveness of their public governance. According to the Second Administrative Reform Commission of India "at the core of such (performance) agreements are the objectives to be achieved, the resources provided to achieve them, the accountability and control measures, and the autonomy and flexibilities that the civil servants will be given".

While most countries are still coping with the consequences of the 2008 global crisis, the demand for public goods/services post the crisis has only increased even as the fiscal resources have dwindled. This mechanism has been used in a number of countries. Details of performance management, implemented by the governments of a select few countries[10], are given below.

Public Service Agreements (United Kingdom)

Public Service Agreements (PSAs) outline the objectives for the agency or department regarding the services to be delivered as agreed between the department and the Prime Minister's Delivery Unit. PSAs set out targets for achieving the strategic objectives for a medium time frame of three years.

Strategic Plans (South Africa)

The strategic plan approach for performance management is prevalent in South Africa. In South Africa, the departmental objectives are captured in three year strategic plans, which are then converted into operational work plans and performance agreements.

Government Performance Results (United States of America)

In the US, the Congress passed a law in 1994 called the Government Performance Results Act. Under this law the US President is obliged to sign a performance agreement with his cabinet members.

Pluri-Annual Planning Programme (Brazil)

This divides all governmental objectives into about 400 programmes, each of which has its own programme manager who is a senior civil servant accountable for the results. The targets of the program become the performance agreement for the civil servant.

Balanced Score Card (New Zealand & Australia)

These countries have adopted the balanced score card approach, which is a set of measures that are directly linked to the organization's strategy. The score card allows managers to evaluate financial performance, customer knowledge, internal business processes, and learning and growth.

Performance Contracts (Kenya)

Similar to PSAs these are also agreements between the government and public agency setting targets, besides developing charters to communicate the service standards. There are incentives for achieving the targets.

[10] Centre for Good Governance (2009), Performance Management in Government, Department of Administrative Reforms & Public Grievances, Government of India.

Annex – 2

Figure 6

Success Indicators to Be Included in FY15 RFD

	Objective	Action	Success Indicator	Unit	Weight	Target/Criteria Value				
						Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%
1	**Efficient Functioning of the RFD System**	Timely submission of Draft RFD for 2015-16 for approval	On-time submission	Date	2%	5 March 2015	6 March 2015	9 March 2015	10 March 2015	11 March 2015
		Timely submission of Results for 2013-2014	On-time submission	Date	1%	1 May 2014	2 May 2014	3 May 2014	6 May 2014	7 May 2014
2	**Enhanced Transparency/ Improved Service delivery of Ministry/ Department**	Rating from Independent Audit of implementation of Citizens'/Clients' Charter (CCC)	Degree of implementation of commitments in CCC	%	2%	100	95	90	85	80
		Independent Audit of implementation of Grievance Redress Management (GRM) system	Degree of success in implementing GRM	%	1%	100	95	90	85	80
3	**Reforming Administration**	Update departmental strategy to align with revised priorities	Date	Date	2	100	90	80	70	60
		Implement agreed milestones of approved Mitigating Strategies for Reduction of potential risk of corruption (MSC).	% of Implementation	%	1	100	95	90	85	80
		Implement agreed milestones for implementation of ISO 9001	% of Implementation	%	2	100	95	90	85	80
		% of Responsibility Centres with RFD in RFMS	Responsibility Centres covered	%	1	100	95	90	85	80
		Implement agreed milestones of approved Innovation Action Plans (IAPs).	% of Implementation	%	2	100	90	80	70	60
4	**Improve compliance with the Financial Accountability Framework**	Timely submission of ATNs on Audit paras of C&AG	Percentage of ATNs submitted within due date (4 months) from date of presentation of Report to Parliament by CAG during the year.		0.5	100	90	80	70	60
		Timely submission of ATRs to the PAC Sectt. on PAC Reports.	Percentage of ATRS submitted within due date (6 months) from date of presentation of Report to Parliament by PAC during the year.		0.5	100	90	80	70	60
		Early disposal of pending ATNs on Audit Paras of C&AG Reports presented to Parliament before 31.3.2014.	Percentage of outstanding ATNs disposed off during the year.		0.5	100	90	80	70	60
		Early disposal of pending ATRs on PAC Reports presented to Parliament before 31.3.2014	Percentage of outstanding ATRS disposed off during the year.		0.5	100	90	80	70	60
					Total Weight = 15%					

Source: Guidelines for RFD, Performance Management, Cabinet Secretariat, GoI

Annex – 3

Figure 7

Power Ministry: Trend Values of the Success Indicators

Objectives		Actions	Success Indicators 2012-13	Unit	Actual 2008-09	2009-10	2010-11	2011-12
Improving Power Availability	1.1.1	Fresh Capacity addition (Total)	15,956	(MW)	3,454	9,585	12,160.5	20,502[a]
	1.2.1	Generation performance	930	(BU)	723.8	771.5	811.104	876.44[a]
	1.3.1	Fresh Capacity addition saved through Energy Conservation Schemes including National Mission on Enhanced Energy Efficiency(Energy Savings)	950	(MW)	1,504	2,868	2,670	2,998[b]
Expanding the Transmission Network	2.1.1	Transmission lines addition/ready for commissioning (Central)	7,333	(ckm)	5,556	5,515	4,986	9,774[a]
	2.1.2	Transmission lines addition/ready for commissioning (State)	8,695	(ckm)	4,576	4,917	8,847	7,421[a]
	2.1.3	Transmission lines addition/ready for commissioning (Private)	1,398	(ckm)	0	1,358	1,534	3,239[a]
	2.2.1	Transformation capacity addition/ready for commissioning (Central)	11,210	(MVA)	6,580	10,290	5,310	30,675[a]
	2.2.2	Transformation capacity addition/ready for commissioning (State)	20,459	(MVA)	12,100	12,585	25,717	23,485[a]
	2.2.3	Transformation capacity addition/ready for commissioning (Private)	0	(MVA)	0	1,440	630	127[a]
	2.3.1	Inter-regional Grid Capacity to be created	4,100	MW				
	2.4.1	Field testing of 1200 KV system	26.03.2013	Date				
Access to electricity to all	3.1.1	Providing infrastructure for Electrification	6,000	No.	12,056	18,374	18,306	7,934[c]
	3.2.1	Electricity connections to BPL Households	35	(no. in lakhs)	30.9	47.18	58.83	34.44[c]
Enhancing the availability of trained and skilled manpower for the power sector	5.1.1	Persons imparted training by NPTI	16,225	No.	14,225	14,869	15,825	17,012[a]
	5.1.2	Trainee weeks at NPTI	1,32,000	No.	1,13,305	1,15,132	1,27,207	1,35,168[a]

[a] Achievement as on 31.03.2012
[b] Achievement as on 31.12.2011
[c] Target for 2011-12 is electrification of 14,500 villages and 52 lakh connections to BPL households. Achievements shown is as on 31.03.2012
Source: Ministry of Power, GoI

Annex – 4

Government of Kerala's notification on the performance evaluation of various ministries/departments

GOVERNMENT OF KERALA

Abstract

Planning & Economic Affairs (CPMU) Department – Performance Monitoring and Evaluation System - Results Frameworks Document Evaluation Report (2012-13) of 35 Administrative Departments - Approved – Orders issued.

Planning & Economic Affairs (CPMU) Department

GO (MS) No.42/2013/Plg. Dated, Thiruvananthapuram : 07.08.2013.

Read: GO(MS) No.24/13/Plg dtd 27.03.2013.

ORDER

Results Framework Documents is a part of the Performance Monitoring and Evaluation System (PMES) to monitor and evaluate the performance of the Government Departments. RFD includes the agreed objectives, policies, programmes and projects along with the success indicators and targets to measure the performance in implementing them. The document is to be prepared by each department at the beginning of every financial year.

Vide paper read above, Govt. have approved the RFD 2012-13 of 35 Administrative Departments. As per the guidelines of Results Framework Documents, the concerned Administrative Departments have carried out the evaluation of the achievement of targets mentioned in their Results Framework Documents for the year 2012-13 and submitted the evaluation report online to the Planning and Economic Affairs Department.

The department wise composite scores are as follows.

Sl. No.	Name of Department	Composite Score
1	Agriculture	69.83
2	Animal Husbandry	70.98
3	Co-operation	78.14
4	Cultural Affairs	86.5
5	Environment	30.94
6	Excise	85.28
7	Finance	78.09
8	Fisheries	75.44
9	Food, Civil Supplies & Consumer Affairs	53.39
10	Forest	68.83
11	General Administration	68.27
12	General Education	59.91
13	Health & Family Welfare	87.05
14	Higher Education	68.88
15	Housing	42.27
16	Industries & Commerce	71.55
17	Information & Public Relations	65.77
18	Information Technology	71.35
19	Labour & Rehabilitation	51.23

20	LSGD	61.08
21	NORKA	62.54
22	P&ARD	51.17
23	Planning & Economic Affairs	76.35
24	Ports	40.54
25	Power	63.03
26	PWD	73.76
27	Registration	76.37
28	Revenue	51.6
29	SC/ST Development Department	66.2
33	Social Welfare	30.5
31	Sports & Youth Affairs	52.33
32	Taxes	76.75
33	Tourism	67.09
34	Transport	23.75
35	Water Resources	55.52

Government, after examining in detail the Evaluation Report of Results Framework Documents 2012-13 of each Administrative Department are pleased to approve the scores as mentioned above.

Government have approved in principle to use the concept of Results Framework Documents to improve the performance of departments and not to grade them. Further it is not indicative of the level of performance.

(By Order of the Governor)

Rachna Shah,
Secretary (Planning)

To

All Additional Chief Secretaries, Principal Secretaries and Secretaries
Dr.Prajapati Trivedi, Secretary, PMD, Cabinet Secretariat,
Government of India (with C/L)
Performance Management Division, Cabinet Secretariat, Govt. of India.
All Heads of Departments
All District Collectors
Private Secretary to Hon'ble Chief Minister
Private Secretary to all Ministers

Copy to

Additional Secretary to Chief Secretary
PA to Principal Secretary to Govt. (Planning)
CA to Additional Secretary & Director, (CPMU)
Stock file / OC.

Forwarded/ By Order

Section Officer

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Annexure J:

List of Ministries/Departments Required to Prepare Results-Framework Document (RFD)

Department/Ministry
D/o Administrative Reforms and Public Grievances
D/o Agricultural Research and Education
D/o Agriculture & Cooperation
D/o AIDS Control
D/o Animal Husbandry, Dairying & Fisheries
D/o AYUSH
D/o Bio-Technology
D/o Chemicals & Petro-Chemicals
D/o Commerce
D/o Consumer Affairs
D/o Defence Production
D/o Defence Research and Development
D/o Disability Affairs
D/o Disinvestment
D/o Ex-Servicemen Welfare
D/o Fertilisers
D/o Food & Public Distribution
D/o Health & Family Welfare
D/o Health Research
D/o Heavy Industries
D/o Higher Education
D/o Industrial Policy Promotion
D/o Electronics and Information Technology

Department/Ministry
D/o Justice
D/o Land Resources
D/o Legal Affairs
Legislative Department
D/o Official Languages
D/o Pension and Pensioners Welfare
D/o Personnel and Training
D/o Pharmaceuticals
D/o Posts
D/o Public Enterprises
D/o Rural Development
D/o School Education & Literacy
D/o Science & Technology
D/o Scientific & Industrial Research
D/o Space
D/o Sports
D/o Telecommunications
D/o Youth Affairs
M/o Civil Aviation
M/o Coal
M/o Corporate Affairs
M/o Culture
M/o Development of North Eastern Region
M/o Drinking Water & Sanitation
M/o Earth Science

Department/Ministry
M/o Environment & Forests
M/o Food Processing Industries
M/o Housing & Urban Poverty Alleviation
M/o Information & Broadcasting
M/o Labour & Employment
M/o Micro, Small & Medium Enterprises
M/o Mines
M/o Minority Affairs
M/o New & Renewable Energy
M/o Overseas Indian Affairs
M/o Panchayati Raj
M/p Petroleum & Natural Gas
M/o Power

Department/Ministry
M/o Railways
M/o Road Transport & Highways
M/o Shipping
M/o Social Justice & Empowerment
M/o Statistics & Programme Implementation
M/o Steel
M/o Textiles
M/o Tourism
M/o Tribal Affairs
M/o Urban Development
M/o Water Resources
M/o Women & Child Development

List of Ministries/Departments Required to Prepare Results-Framework Document (RFD) For Responsibility Centres (RCs)

Department/Ministry
D/o Financial Services
D/o Economic Affairs
D/o Expenditure

Department/Ministry
D/o Revenue
D/o Home Affairs
M/o External Affairs

Annexure K:

Australia's Performance Framework: Key Aspects*

Key Aspects	1987-1996	1996-2007	2007-2010
Australian Public Service (APS)	Cohesive Public service; central rules, standards – e.g., pay, classifications, terms of employment	Public service downsized and balkanised; individual employment contracts; heavy use of business consultants; departmental secretaries often on three-year contracts	Efforts to renovate public service, e.g., regarding policy skills; moves to re centralise some functions, e.g, procurement, pay grades
Philosophy underlying Public Sector Management	Substantial devolution to departments; central requirements, e.g., evaluation, to 'make the managers manage'	Very high level of devolution -'let the managers manage'; reduction in red tape; much greater reliance on private sector	Some recentralisation, with heavy emphasis on encouragement; 'let the managers manage'; further reduction in red Tape
Policy cycle	Formalised, disciplined; heavy reliance on analysis by public service; Expenditure Review Committee (ERC) at centre of budget process	Much less disciplined; greater reliance on non-APS policy advice; many policy/expenditure decisions taken in Prime Minister's Office; ERC relatively weak	Decision-making initially in hands of four key ministers; now greater reliance on budget/ERC processes; APS policy skills to be strengthened
Role of the Department of Finance (DoF)	Powerful, respected, high level of policy skills; heavily involved in scrutinising new policy proposals –the 'challenge' function; responsible for budget estimates; heavily involved in evaluation	Severely downsized; small role in budget estimates and low financial management skills (until after2002); low policy skills; little or no evaluation involvement; passive oversight of Outcomes and Outputs Framework; strategic reviews managed by DoF (from 2006)	Increase in staff numbers; refurbished financial management skills; role in reducing regulation and red tape; strategic reviews, and prospect of a rejuvenated evaluation approach

Key Aspects	1987-1996	1996-2007	2007-2010
Evaluation	Formal strategy and requirements (from 1987);enforcement by DoF;heavy utilisation in policy advice and by ERC;evaluation use by line departments	Evaluation deregulated; only a few remaining evaluation islands among departments/ agencies; small number of strategic reviews (from2006); no systematic use of evaluation in budget process	Flurry of reviews after2007; continuation of strategic reviews; no systematic use of evaluation in budget process, and major investment decisions taken without benefit of evaluation; agency reviews to be conducted in future; possible rejuvenation of evaluation in near future
Performance information (PI), programme objectives, accountability	Programme budgeting (1986on); evaluations usually published; only late attention to performance indicators via reviews of PI, programme objectives(from 1994); federal/state reporting of service delivery performance(from 1995); formal reporting requirements(annual reports, PBSs)	Programme budgeting abolished (from1999); new Outcomes and Outputs Framework for formal reporting, based on performance indicators (1999); principles-based, no quality control by DoF; accrual accounting (1999); evaluations rarely published; federal/state reporting of service delivery performance	Outcomes and Programs Framework, based on performance indicators,and now including programme budgeting; evaluations rarely published; federal/state reporting of service delivery performance; citizen surveys planned

* Table 1 page 12, Mackay, Keith. 'The Australian Government's Performance Framework'. Evaluation Capacity Development Working Paper No25, World Bank, Washington, DC

Outcomes and Outputs Framework – Significant Problems**

- 'Outcomes' were usually defined in a single sentence, in very broad, aspirational terms, rather than trying to state in specific terms the desired impact of the government's activity. There was a lack of performance information to tell if outcomes had been achieved or not (ANAO 2001a, 2007; SSCFPA 2007; Podger 2009).
- There were 200 outcomes in total, and so they had a high level of aggregation. Departments and agencies did not have any shared outcomes; they each preferred to have their own outcomes, for which they alone were accountable (ANAO 2007; AGRAGA 2010).
- There were poor logical links between many outputs and outcomes (Podger 2009).
- Targets or benchmarks were typically not specified for outputs (ANAO 2003, 2007).
- Departments and agencies tended not to report unmet targets, and often did not discuss areas where performance was poor (ANAO 2003; JCPA 2004).
- There was insufficient performance information concerning efficiency and effectiveness, and too much focus on activities undertaken (ANAO 2007).
- The majority of agencies with purchaser-provider arrangements did not include performance information on them in their portfolio budget statements (ANAO 2007).
- The specification of outputs and outcomes differed between departments and agencies, making comparisons very difficult (Blondal et al. 2008).
- Definitions continued to change over time, even a decade after the framework was introduced (Blondal et al. 2008; Webb 2010).
- Portfolio budget statements reported the forward estimates of spending, but presented no information concerning forward estimates of outputs or outcomes (ANAO 2007).
- There was no 'clear read', i.e., there was a lack of corresponding and comparable performance information between the performance promised in portfolio budget statements and the performance actually delivered and reported in annual reports (Murray 2008).
- The Senate found the outcomes structure confusing. It strongly preferred programme-based performance reporting and budgeting (SSCFPA 2007, quoted by Mulgan 2008).

** Box 7 page 9, Mackay, Keith. 'The Australian Government's Performance Framework'. Evaluation Capacity Development Working Paper No25, World Bank, Washington, DC

Annexure L:

Details of the Council of Australian Governments (COAG)

The Council of Australian Governments (COAG) has reached a historic Intergovernmental Agreement on Federal Financial Relations which establishes the overarching framework for the Commonwealth's financial relations with the States and Territories. The framework represents the most significant reform to Australia's federal financial relations in decades. It provides a strong foundation for COAG to pursue economic and social reforms to underpin growth, prosperity and wellbeing into the future. It also provides clearer specification of the roles and responsibilities of each level of government so that the appropriate government is accountable to the community.

The key features of the framework are:

a) Funding - The Commonwealth currently provides financial support for the States' service delivery efforts through:

- National Specific Purpose Payments (National SPPs) and National Health Reform funding to be spent in key service delivery sectors;
- three types of National Partnership payments - project payments, facilitation payments and reward payments; and
- general revenue assistance, consisting of GST payments to be used by the States for any purpose, and other general revenue assistance.

The framework rationalised a number of payments made to the States, centralised payment arrangements and provides greater funding certainty and flexibility to the States. Earlier the Federal –State Agreements were based on Funding and Focused on Inputs & Outputs. But since 2008, Federal-State Agreements are now based on National Agreements where the Policy Reforms are based on National Partnerships. The focus of COAG is on National Performance Delivering Outcomes/Services in the selected Areas of National Importance such as Healthcare, Education, Skill & Workforce Development, Disability, Affordable Housing, and Indigenous Reform.

b) Greater flexibility - The federal financial relations framework gives the States greater flexibility to direct resources to areas where they will produce the best results in each State. In the Intergovernmental Agreement, the Commonwealth has committed to move away from prescriptions on service delivery in the form of financial or other input controls, which inhibit state service delivery and priority setting. Rather than dictating how things should

be done, the framework focuses on the achievement of mutually agreed outcomes, providing the States with increased flexibility in the way they deliver services to the Australian people.

Under the framework, the States are required to spend each National SPP in the relevant sector - for example, the States are required to spend the National Schools SPP in the schools sector - but they have budget flexibility to allocate funds within that sector in a way that ensures they achieve the mutually agreed objectives for that sector.

c) Improved public accountability - While the States have increased budget flexibility under the federal financial relations framework, they are also subject to greater accountability, through new reporting arrangements. Commonwealth and State governments have committed to improving service delivery, by ensuring that the appropriate government is accountable to the community, not just for its expenditure in delivering services, but more importantly, for the quality and efficiency of the services it delivers and the outcomes it achieves.

Under the Intergovernmental Agreement, National Agreements aim to establish what the Commonwealth and the States expect to achieve from their co-operation, the role of each jurisdiction and the responsibilities for which they undertake to be accountable, and performance indicators and benchmarks which will inform the Australian public on progress towards achieving the outcomes and objectives of the agreement.

d) Opportunities to drive reforms - A central element of the framework is National Partnership payments, which are a mechanism to drive reforms or improve service delivery standards. National Partnership payments are provided to the States to:

- support the delivery of specified outputs or projects;
- facilitate reforms; or
- reward those jurisdictions that deliver on nationally significant reforms.

Each National Partnership payment is supported by a National Partnership agreement which defines the mutually agreed objectives, outputs and performance benchmarks or milestones.

As part of the Heads of Treasuries Review of National Agreements, National Partnerships and Implementation Plans, a new form of National Partnership agreement called a Project Agreement will be used to implement projects that are considered low value or low risk.

National Partnership project payments are a financial contribution to the States to deliver specific projects, including improving the quality or quantity of service delivery, or projects that support national objectives.

The Government also recognises the need to support States to undertake priority reforms. Consequently, in areas that are a national priority - for example, implementing the seamless national economy - National Partnership facilitation payments may be paid to the States in advance of progressing or achieving nationally significant reform, in recognition of administrative and other costs of initiating those reforms or pursuing continuous improvement in service delivery.

National Partnership reward payments are provided to States that deliver nationally significant reform. Reward payments are structured in a way that encourages achievement of ambitious performance benchmarks detailed in a National Partnership agreement. Reward payments are contingent on the achievement of performance benchmarks, with achievement for each jurisdiction assessed by the independent COAG Reform Council .

e) Centralised payment arrangements - A key feature of the framework is centralised payment arrangements which simplify payments to the States, aid transparency and improve the States' budget processes.

Previously, payments to the states were made by Commonwealth portfolio departments to the relevant state agencies, and each payment had its own administrative arrangements. Under the current arrangements, all National SPP, National Partnership payments and general revenue assistance are processed centrally by the Commonwealth Treasury and paid directly to each state treasury. State treasuries are responsible for distributing the funding within their jurisdiction.

For example - National health reform funding commenced from 1 July 2012 under the National Health Reform arrangements, replacing the National Healthcare SPP. National health reform funding is paid into a national funding pool to support public hospital and public health services.

In the Commonwealth, the Treasurer is accountable for the appropriations, estimates and payments under the framework. These arrangements are implemented through the Federal Financial Relations Act 2009 .

Having state treasuries distribute Commonwealth sourced funding to state portfolio agencies helps reinforce that state agencies are primarily accountable to their respective parliaments and public for their service delivery performance, including their delivery of programs for which the Commonwealth provides a financial contribution.

f) Policy and payment accountability arrangements - Under the framework, policy outcomes and objectives have been separated from funding arrangements to ensure that the policy focus is on achieving better services for all Australians and addressing social inclusion.

National Agreements establish the policy objectives in the key service sectors and are not funding agreements. Funding is provided separately in National SPPs, which are specified in the Intergovernmental Agreement. The provision of funding under National SPPs is not contingent on achieving the outcomes or performance benchmarks outlined in National Agreements. The only condition on National SPPs is that the funding be spent in the sector for which it is provided.

National Agreements may be associated with a National SPP, but this is not a requirement. For example, the National Indigenous Reform Agreement outlines the mutually agreed objectives for Indigenous reform, with the Commonwealth and the States each having flexibility in funding the achievement of those reforms. There is no associated National SPP.

National Partnership agreements also outline the mutually agreed policy objectives to deliver specific projects, achieve service delivery improvements, or nationally significant reform.

For both National Agreements and National Partnership agreements, the primary responsibility for policy is with the relevant portfolio minister. The Treasurer is responsible for ensuring that National Agreements align with the design principles described in Schedule E - National Policy and Reform Objectives of the Intergovernmental Agreement.

Following are the Councils under COAG:

Standing Councils	Select Councils	Legislative and Governance Fora
• Community and Disability Services • Disability Reform • Energy and Resources • Environment and Water • Federal Financial Relations • Health • Law and Justice • Police and Emergency Management • Primary Industries • Regional Australia • School Education and Early Childhood • Tertiary Education, Skills and Employment • Transport and Infrastructure	• Housing and Homelessness • Women's Issues • Workplace Relations	• Consumer Affairs • Corporations • Food Regulation • Gene Technology • Murray-Darling Basin

Annexure M:

Example of National Agreement: Healthcare Sector

An example of National agreement is National Healthcare Agreement:

Preliminaries - National Healthcare Agreement - All governments agree that Australia's health system should:

- be shaped around the health needs of individual patients, their families and communities;
- focus on the prevention of disease and injury and the maintenance of health,
- support an integrated approach to the promotion of healthy lifestyles
- provide all Australians with timely access to quality health services
- In this Agreement, all governments agree that the healthcare system will strive to eliminate differences in health status
- Governments will seek to make best use of taxpayers' funds

Scope - The National Health Reform Agreement sets out the Parties' commitments in relation to public hospital funding, public and private hospital performance reporting, local governance of elements of the health system, policy and planning for primary health care and rearrangement of responsibilities for aged care.

Statement of Objective, Outcomes & Performance Indicators

- **Objective -** Through this Agreement, the Parties commit to improve health outcomes for all Australians and ensure the sustainability of the Australian health system.
- **Outcomes and Performance Indicators -** Basic Approach
- All Parties are accountable to the community for their progress against the agreed outcomes.
- It is intended that performance indicators will incorporate private sector services where relevant.
- The methodology for collecting the performance indicators has been developed with the assistance of the Australian Institute of Health and Welfare and the Australian Bureau of Statistics

Objectives

- Better Health
- Better Health Services
- Social Inclusion and Indigenous Health
- Sustainability of the Health System

Outcome & Performance Indicators

Better Health - Australians are born and remain healthy

- Proportion of babies born of low birth weight
- Incidence of selected cancers
- Prevalence of overweight and obesity
- Rates of current daily smokers
- Levels of risky alcohol consumption
- Life expectancy
- Infant and young child mortality rate
- Major causes of death
- Incidence of heart attacks
- Prevalence of type 2 diabetes
- Proportion of adults with very high levels of psychological distress

Performance Benchmarks

- Better Health
- Close the life expectancy gap for Indigenous Australians within a generation.
- Halve the mortality gap for Indigenous children under five by 2018.
- Reduce the age-adjusted prevalence rate for Type 2 diabetes to 2000 levels (equivalent to a national prevalence rate of 7.1 per cent) by 2023 for 25 years & Over.
- *By* 2018, increase by five percentage points the proportion of Australian adults and Australian children at a healthy body weight, over the 2009 baseline.
- By 2018, reduce the national smoking rate to 10 per cent of the population and halve the Indigenous smoking rate, over the 2009 baseline.
- Better Health Services

- By 2014-15, improve the provision of primary care and reduce the proportion of potentially preventable hospital admissions by 7.6 per cent over the 2006-07 baseline to 8.5 per cent of total hospital admissions.
- The rate of Staphylococcus aureus (including MRSA) bacteraemia is no more than 2.0 per 10,000 occupied bed days for acute care public hospitals by 2011-12 in each State and Territory.

Roles & Responsibilities

States and territories will provide health and emergency services through the public hospital system, based on the following Medicare principles:

- Eligible persons are to be given the choice to receive, free of charge as public patients, health and emergency services of a kind or kinds that are currently, or were historically provided,2 by hospitals;
- Access to such services by public patients free of charge is to be on the basis of clinical need and within a clinically appropriate period; and
- Arrangements are to be in place to ensure equitable access to such services for all eligible persons, regardless of their geographic location.
- At federal level, it is consistent with these principles, the Commonwealth will continue to subsidise public hospitals and private health services through this Agreement, the Medicare Benefits Schedule, the Pharmaceutical Benefits Scheme and other programs.