**PLAN OF ACTION FOR RESULTS-BASED MANAGEMENT
IMPLEMENTATION IN
THE PAN AMERICAN SANITARY BUREAU (PASB)**

This document is provided to the 40th Session of the Subcommittee on Planning and Programming for information on the implementation of Results-Based Management (RBM) in PASB. It includes information on the actions needed to fully implement RBM and related transformative initiatives in PAHO. While the Secretariat has incorporated many of the necessary planning and reporting tools of RBM in its program development and evaluation processes, there remain several challenges to fully implement RBM in PAHO. In the coming year, the Organization will, a) more clearly establish the accountability and managerial frameworks and associated delegation of authority, b) strengthen the availability and use of appropriate information systems, and c) strengthen the supporting financial and human resources management processes and competencies of managers.

The Secretariat recognizes that this process is lengthy and requires a high degree of institutional commitment.

This document should be considered together with Document SPP40/3 *Methodology for Formulation of the PASB Strategic Plan 2008-2012 and a Proposed Health Agenda for the Americas 2008-2017*, as this will form the basis for results-based planning in PAHO.

CONTENTS

Page

A Brief Review of RBM concepts

1.   Result-based management (RBM) is a broad management strategy aimed at changing the way agencies operate, with improving performance (achieving results) as the central orientation. Key RBM techniques include:

- Formulating objectives (results);
- Selecting indicators to measure progress towards each objective;
- Setting explicit targets for each indicator to judge performance;
- Regularly collecting data on results to monitor performance;
- Reviewing, analyzing and reporting actual results vis-à-vis the targets;
- Integrating evaluations to provide complementary performance information;
- Using performance information for purposes of accountability, learning and decision-making.

JIU/REP/2004/6 Implementation of Results-Based
Management in the United Nations Organizations.

2.   In the development setting, RBM emphasizes the tangible improvements an organization and its stakeholders want to see in the lives of that organization's target populations. Accordingly, RBM at PAHO focuses on planning, implementing and managing operations toward achieving *programmatic results*.

3.   Internally, RBM requires clearly articulated strategic and operational frameworks, delegation of authority and a supporting culture of learning and information sharing. In exchange for meeting specific objectives, line managers are freed from traditional senior management command and control. However, senior management (and governance) in turn requires regular monitoring and reporting to verify achievement of planned results. With that information, managers at all levels adjust programs – personnel, budgets, and objectives. Thus the organization continuously learns and improves its performance.

4.   The 2004 Joint Inspection Report on RBM across the UN observed:

(a)   The process of planning, programming, budgeting, monitoring and evaluation; human resources management; and management information systems (are) the main pillars for the development of a solid RBM system;

(b)   RBM techniques must be supplemented by organizational policies and strategies, such as human resources, information management and learning strategies, if they are to have an impact on program effectiveness;

(c)   There is no single "road map" to RBM, and... each organization has to adapt RBM to its specificities and mandates;

(d)   RBM is by no means a one-time event. It is rather a process that needs to be undertaken gradually, though in a coherent manner. Implementing RBM requires a fundamental change in management culture, and

(e)   Commitment should be translated into precise tools and mechanisms to put RBM into action.

RBM in PAHO

5.   RBM is not a new concept at PAHO. A well-utilized foundation of strategic planning and the Biennial Program Budget (BPB) process together with the AMRO PAHO Program Evaluation System (AMPES) performance tracking have, for nearly two decades, supported a management-for-results orientation. What makes RBM different here, as it has been noted elsewhere, is "the determination to make RBM the driving force behind the organization's institutional culture and practice —and to develop and apply a corporate methodology for this purpose."

6.   In PAHO, there are several enabling constructs to help Executive management and program managers fully implement RBM. They are:

(a)   The Accountability Framework;

(b)   The Managerial Framework;

(c)   The Delegation of Authority;

(d)   The Strategic Planning and Evaluation Processes;

(e)   Continuous Learning Programs.

Accountability Framework

7.   The PAHO Accountability Framework is in the process of transition, and the final product will be congruent with the revised WHO Accountability Framework. The team elaborating the document is building upon, a) organizational unit accountability through AMPES and the BPB process; b) individual accountability through the existing personnel performance evaluation process (PPES—which is also being fully automated in 2006); c) PAHO competencies; d) existing financial and staff regulations and rules; and e) the existing model of delegation of authority, which is being revised to more fully support RBM. The following definition of accountability is the guiding mandate:

> Accountability is an essential element of any well functioning organization and is a critical element that supports a results-based management approach – one that is performance-based rather than rule-defined and administrative-based. The Accountability Framework brings together the various aspects of responsibility, accountability and authority. It is therefore a part of the overall internal corporate governance and oversight framework of the Organization. It defines from whom authority flows, to whom, for what purpose, to whom they are accountable, and their responsibility in exercising that authority.

Managerial Framework

8.   The Managerial Framework helps PAHO managers understand their role in implementing RBM. It is meant to provide guidance to managers at all levels (including PAHO WHO Representatives-PWRs).   The Managerial Framework is intended to empower managers to do their jobs in the most effective and efficient manner, at the same time ensuring the level of accountability required of an international organization.

Management by Results
- Executive Management is freed to devote its time to strategy, goals, guidelines and operational oversight.
- Managers are allowed the creativity and efficiency to more freely choose the means to fulfill their responsibilities.
- Objectives to achieve results are SMART (Specific, Measurable, Accepted, Realistic, and Time specified).

Managerial Framework to Support Management by Results
- Objectives are set through the BPB process. The budget system interlinks objectives and appropriations. Resources necessary for achievement (implementation) are determined by the manager who is responsible for the objectives.
- Managers must have the decision-making authority commensurate with their responsibility to achieve the objectives in planning, budgeting and performance management.
- Accountability is specific, within the performance evaluation system. Performance results form the basis for individual evaluation.
- Discrete and aggregated information about results feeds into Executive Management's evolving decisions on goals for subsequent periods.

Delegation of Authority

9.   Current delegation of authority in PAHO focuses on financial expenditures and controls. As noted, a review and updating of the Delegation of Authority is underway and will address multiple aspects of sound RBM practices:

-       Organizational design and regionalization;

-       Programmatic decision-making, targets and indicators;

-       Human capital management strategy;

-       Staff performance;

-       Financial integrity and responsibility;

-       Learning and decision making;

-       Collection of data and performance monitoring.

Strategic Planning and Evaluation Processes

10.	This critical aspect of RBM has been enabled through a series of planning, monitoring and reporting tools, some of which are fully implemented, others are still in development. The planning system in PAHO has been guided since the 1980s by a logical approach to project design based on results (LOGFRAME). The main elements are:

Planning

- **Health Agenda for the Americas** – A new ten-year planning instrument is proposed in a document being simultaneously to the 2006 SPP. The Health Agenda for the Americas would set out PAHO's highest level of objectives, strategic health goals, for both Member States and the Secretariat. The Agenda would be approved every ten years by the Pan American Sanitary Conference.

- **PASB Strategic Plan** – Under the proposed system, this document would define Secretariat-specific regionwide expected results (RERs), . This document is approved every five years by the Pan American Sanitary Conference.

- **Program Budget (PB)** – PAHO's key operational document, the PB provides detailed costing of RERs for a biennial period. Starting with the 2008-2009 biennium, the PB will use RERs as established in the 2008-2012 Strategic Plan (in the past, RERs were elaborated every two years).

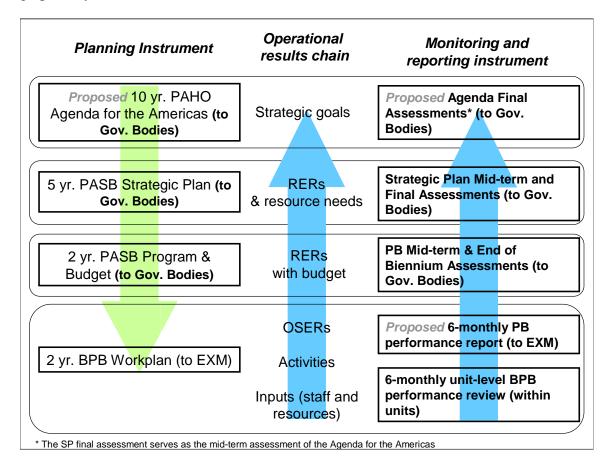- **Unit-level work plans** (commonly known as Biennial Program Budgets or BPBs) – Based on the results planned in the PB, PAHO units develop their work plans for the biennium, including their own office-specific expected results (OSERs) linked to the approved RERs.

Monitoring and Reporting - existing

- **Six-monthly unit-level performance review** – Conducted at the unit level, managers review their progress in achieving their OSERs, identifying possible adjustments to their BPBs, OSERs, personnel planning, etc.

- **Mid-term and final assessments of Health Agenda for the Americas, Strategic Plan and PB implementation** – These reports provides a comprehensive look at progress in achieving strategic goals and RERs. The reports are presented to the Executive Committee and the Directing Council for their review and feedback.

Monitoring and Reporting - under development

- Additional review processes are under development, notably to bring programmatic issues to the attention of executive management, as required throughout the biennium. Also, modalities of post-implementation evaluation are being developed to identify lessons-learned and how they can/should be applied to ongoing planning and budgeting.

11.   The following diagram depicts these program planning and evaluation elements graphically, and links them to the core PAHO results chain:

Planning Instrument	*Operational results chain*	*Monitoring and reporting instrument*
Proposed 10 yr. PAHO Agenda for the Americas **(to Gov. Bodies)**	Strategic goals	*Proposed* **Agenda Final Assessments* (to Gov. Bodies)**
5 yr. PASB Strategic Plan **(to Gov. Bodies)**	RERs & resource needs	**Strategic Plan Mid-term and Final Assessments (to Gov. Bodies)**
2 yr. PASB Program & Budget **(to Gov. Bodies)**	RERs with budget	**PB Mid-term & End of Biennium Assessments (to Gov. Bodies)**
2 yr. BPB Workplan (to EXM)	OSERs Activities Inputs (staff and resources)	*Proposed* **6-monthly PB performance report (to EXM)** **6-monthly unit-level BPB performance review (within units)**

* The SP final assessment serves as the mid-term assessment of the Agenda for the Americas

12.   These tools merely provide the information required by unit managers, executive management and Governing Bodies to make decisions. The end goal of RBM is not good planning, monitoring and reporting, but rather improved management of programs to achieve operational results. Thus it is imperative that the Organization incorporate program management, evaluation and analysis into its capacity-building learning programs for all program managers.

13.   This process is elaborated in a document being submitted for consideration by the SPP concurrently with this one: *Methodology for Formulation of the PASB Strategic Plan 2008-2012 and a Proposed Health Agenda for the Americas 2008-2017.*.

Staff Development Programs

14.   PAHO is acutely aware of both JIU and WHO "lessons learned" in RBM development and implementation. PAHO further realizes the extensive effort that will be required for successful implementation. These resources involve significant training, staffing, and multiple tools. It is instructive to review WHO's performance assessment, including the following observations:

- In order to avoid similar problems when preparing the proposed program budget 2006-2007, a practical, detailed guide for drafting expected results, indicators, targets, and baseline data has been prepared and disseminated throughout the Organization, and training courses and seminars have been held for regional and headquarters staff;

- Results-based management also requires clearly defined roles and a robust monitoring and reporting system. Specific responsibilities for the development and implementation of results-based management instruments will be defined for each level of the Organization. The framework for performance monitoring quality assurance, evaluation and reporting will be revised in order to provide program managers with the tools necessary for more effective management;

- In order to implement effectively results-based management, staff skills need to be improved. Beyond the need for general orientation to results-based management for staff at all levels, including senior management, extensive training is needed in the logical framework approach, with particular reference to the formulation of results, indicators and targets. To supplement the training that is being offered at country, regional and global levels, tools are being developed for quality control of operational and strategic planning.

WHO 57th World Health Assembly, A57/25, Provisional agenda item 16.2 15 April 2004

15.   PAHO also understands the challenge of performance tracking and reporting in a manner that meets expectations as noted by the JIU:

- Accounting for results is at the heart of the shift to results-based management in United Nations organizations.

- Harnessing the organization's resources to achieve its desired objectives, and demonstrating the linkage between resources and results, is essential for an effective RBM system.

- Most accounting systems in place do not provide information about the alignment of resources with the long-term objectives of the organizations, nor do they allow linking expenditures to objectives. This is important information for management and the Member States in making their resource allocation and program planning decisions.

- Effective cost accounting systems linking resources to objectives would also allow assessment of the performance level of a program in relation to the resources provided

- Some organizations, including UNDP, UNFPA, ILO and WHO, have decided to phase out their legacy systems and replace them with Enterprise Resource Planning (ERP) systems, covering in an integrated manner, at headquarters and in the field, program and budgeting, finance and accounting, and human resources management components. ….. The Global Management System (GMS) at WHO is still largely at the conceptual phase, and the aim is to have it fully operational by 2007.

JIU/REP/2004/6 Implementation of Results-Based
Management in the United Nations Organizations.

16.   This challenge can most certainly be met, but obviously financial support for clear analyses, evaluation of processes, dedication of resources for improvement and the development/acquisition of supporting technologies are imperative.

17.   PAHO further recognizes that a critical strategy is partnership—and partnership demands that PAHO work in congruity with its partners. That strongly suggests that an understanding and working model of RBM must transcend the Organization and involve those cooperating entities "outside" PAHO.

Next Steps

18.   The Secretariat recognizes that full, ongoing implementation of RBM is a complex and lengthy process requiring not only procedural but also profound behavioral changes. PAHO is committed to this process, guided by the 2004 Joint Inspection Unit Report as well as experiences and lessons learned from other UN agencies and international organizations.

19.   PAHO has assigned responsibility for monitoring RBM to the newly created Unit of Institutional Development. The Senior Advisor on Institutional Development, who will lead this Unit, is expected to start work in April 2006.

20.   PAHO will report progress to the June 2006 Executive Committee in the following areas:

(a) Roles and responsibilities for full RBM implementation and monitoring, as outlined in this document, including the units of Institutional Development, Program Planning and Evaluation, and the expanded office of Internal Oversight Services;

(b) Plans for incorporation of results-based decision making in the formal managerial learning processes;

(c) Strategic Assessment and Resource Alignment (SARA) process and organizational model, addressing decentralization and regionalization;

(d) Assessment of the necessary supporting processes, tools and learning methodologies;

(e) Competency Model for inclusion in recruitment, hiring, evaluation and learning processes;

(f) The full Managerial and Accountability Frameworks and supporting Delegation of Authority.

Conclusion

21. Through the combination of planning, monitoring, and reporting mechanisms, along with new formal frameworks for delegation, accountability and management, PAHO plans to take its implementation and indeed mainstreaming of RBM to new levels. The Secretariat sees RBM as a means to demonstrate PAHO's achievements and commitment to improving health in the Americas, while exceeding our stakeholders' expectations in terms of accountability and transparency.

Action by the Subcommittee on Planning and Programming

22. The Subcommittee is invited to comment on this document. Any best practices formulated from lessons learned in national institutions' RBM implementations would be most welcome.

- - -