

RBB (2012) Conclusions

SEMINAR

ON

**RESULT BASED BUDGETING:
OBJECTIVES, EXPECTED RESULTS AND PERFORMANCE INDICATORS**

Strasbourg, 25 September 2012

CONCLUSIONS

At the initiative of the Budget Committee of the Council of Europe, endorsed by the Committee of Ministers, the Organisation organised a seminar on Result Based Budgeting. This seminar was intended for members of the Secretariat, notably programme co-ordinators who are directly responsible for planning, implementing and reporting on the Programme and Budget of the Council of Europe, Senior Managers, Permanent Representations to the Council of Europe, members of the Budget Committee and any other interested party.

The seminar brought together 115 participants including the members of the Budget Committee, members of Permanent Representations to the Council of Europe and the Secretariat including programme coordinators.

The event was a discussion-orientated forum for exchanging information, experience, ideas and good practices with a view to :

- Agreeing on concepts and definitions on what are clear objectives, SMART expected results and relevant performance indicators and why are they important tools.
- Understanding the challenge of applying these concepts in international organisations and the Council of Europe in particular given the wide diversity of activities and other factors.
- Defining how to build clear objectives, SMART expected results and relevant performance indicators for the preparation of the Programme and Budget and follow-up progress review reports.
- Identifying challenges and best practices in the light of the logframes, objectives, expected results and performance indicators of existing programme lines.

The seminar included four sessions. During the first two sessions, Participants held an open debate with a view to reaching consensus on what are clear objectives, SMART expected results and relevant performance indicators and understanding why they are important tools for efficient resource allocation. They looked at the specifics of international organisations, in particular at the Council of Europe, and at how clear objectives, SMART expected results and relevant performance indicators can be defined in that context given the various actors involved (institutions, independent monitoring mechanisms, partial agreements) and types of operational activities involved (standard-setting, monitoring, co-operation, support).

During the two remaining sessions, Participants agreed on how to best design clear objectives, SMART expected results and relevant performance indicators, focusing on four programme lines of the Council of Europe Programme and Budget 2012-2013, which had been selected for their diversity and specificity;

- *Human Rights – European Committee for the Prevention of Torture (CPT)*
- *Rule of Law – Development and Implementation of Common Standards and Policies*
- *Democracy – Addressing Crisis: Managing Post-conflict Situations*
- *Democracy – Eurimages*

In particular, this session was intended to examine the way objectives, expected results and performance indicators had been elaborated for these four programme lines and identify possible problems and best practices which will help improve the quality of the future Programme and Budget, making it more transparent and more effective as an active tool for strategic planning, management and communication.

At the close of the seminar, participants agreed on the following conclusions.

CONCLUSIONS

1. Participants noted that Result Based Budgeting was **not an end in itself** and reaffirmed its importance not only as a strategic planning and management **tool** but also as an effective means for the Council of Europe to communicate with its stakeholders and with the outside world.
2. They recalled that the essence of RBB was to move away from input and output accountability – that is how the resources have been spent and the immediate effects of the activities – and place focus on the results i.e changes in relation to the initial state achieved for the resources invested, which is the basis of the culture of **result-based accountability** characterising modern public administrations and international organisations. Especially in times of economic difficulties.
3. The merger of the Programme with the Budget, the integration of all resources and sectors of the organisation in a comprehensive document and the move to biannual process implemented as from 2011 provide a solid structural basis on which to further develop RBB in the organisation.
4. In this respect, they stressed that a clear **understanding** of the meaning and use of RBB by all stakeholders was paramount for the effective use of this tool. As was for senior managers, programme coordinators and members of Permanent Representations to take **ownership** of RBB concepts and their application to the Programme and Budget of the Council of Europe.
5. Participants also stressed that understanding and ownership required a common methodology and a common language within and across all sectors of the Organisation in defining its objectives, expected results and performance indicators, therefore allowing efficient reporting and evaluation.
6. They acknowledged that a common problem faced by governments and governmental multilateral organisations in addressing their performance was finding appropriate and credible ways of valuing and communicating what they do. The great majority of performance monitoring tools and techniques were causal in nature, e.g. program logics, logical frameworks, hierarchy of objectives, results chains, etc. and particularly well-suited to operational "production" processes. However, many governmental multilateral organisations including the Council of Europe, engage in activities that are political and normative in nature. As such, the typical armamentarium of causal techniques may not be particularly well-suited to valuing appropriately and communicating effectively the worth of activities and of the enterprise.
7. Participants underlined that concepts such as objectives, results, and performance indicators were often misunderstood. Therefore, bearing in mind the great variety of activities within the scope of the Organisation's missions, Participants agreed on the following terms and definitions to guide the preparation of the Programme and Budget of the Council of Europe:
 - a. **Objective:** An objective should be a clear and explicit statement of what the Organisation is seeking to obtain through a particular programme. Given the great difference in nature of the Council of Europe missions – standard setting, monitoring and co-operation – objectives cannot always be formulated with the same degree of precision for all programmes.

- b. **Expected results:** are describable and measurable changes in state induced by the activities carried out within that programme to the direct benefit of the targeted beneficiaries. In some instances, they will be quantified results e.g. numbers of countries reviewed. In the context of the biennial Programme and Budget of the Council of Europe, expected results can be designed as biennial or annual depending of the specificities of the programme concerned.
 - c. **Performance indicators:** are quantitative data used to track changes and assess/measure the progress related to an expected result or an aspect of it. They measure facts or opinions. Each performance indicator must include a baseline (for instance a reference to previous actual results) and a target.
8. Participants agreed that there may be external factors which are crucial for achieving expected results (assumptions) and that these have to be taken into account when assessing the achievement of the expected results.
9. Participants stressed that an effort should be made to design programme objectives in such a way as to clearly indicate, wherever possible, what are the desired effect of each programme.
10. They also stressed that the definition of appropriate performance indicators and targets associated to the expected results was crucial to define the scope of the expected result. An expected result and its performance indicators should not be mixed up. The expected result is the achievement. Performance indicators should tell about the achievement.
11. Participants reaffirmed the need of defining **SMART expected results** i.e Specific, Measurable, Achievable, Relevant and Time-bound defined as follows:
 - a. **Specific:** Expected results must be exact, distinct and clearly stated. Vague language or generalities are not results. They should express the nature of expected changes, the beneficiaries, the region, etc. They should be as detailed as possible without being wordy.
 - b. **Measurable:** Expected results must be assessable in some meaningful way, involving qualitative and/or quantitative characteristics.
 - c. **Achievable:** They must be realistically achievable using the human, financial and institutional resources available to the programme.
 - d. **Relevant:** They must contribute to the attainment of the strategic objectives and respond to specific and recognised needs or challenges within the Organisation's mandate.
 - e. **Time-bound:** Expected results must be achievable within a specific timeframe which can be yearly or biennial depending of the programme concerned.
12. Participants strongly encouraged formulating expected results as far as possible from the beneficiaries' perspective since this will facilitate focusing on the changes expected rather than on what is planned to be done. They should focus on what is to be different rather than what is to be done and should express them as concretely as possible. Completed activities or projects are not results. Results are the actual benefits or effects short , intermediate and long-term of completed activities or projects.

13. Participants agreed that defining expected results required a solid understanding of the socio-economic, political and cultural context, which is influenced by available resources, the degree of beneficiaries reached and potential risk factors and requires participation of key stakeholders (beneficiaries and partners).

14. They also acknowledged that, given the long-term and extremely wide scope of the Council of Europe's missions and many of its programme lines, the impact of a programme on the beneficiaries cannot always be measured within a short time-frame and at a realistic cost when compared with the resources invested..

15. Participants called upon stakeholders to ensure an effective follow-up of the conclusions of this seminar in particular for the preparation, implementation and follow-up of the Council of Europe Programme and Budget in future biennia.