



RBB(2012)12

25/09/2012

**SEMINAR  
ON  
RESULTS BASED BUDGETING:  
OBJECTIVES, EXPECTED RESULTS AND PERFORMANCE INDICATORS**

Strasbourg, 25 September 2012

Presentation by Susanne KEITEL

*Check against delivery*

Ladies and Gentlemen, dear colleagues,

I would like to start my presentation by again highlighting some preconditions for any target-oriented action, which also includes the management of a public organisation:

1. The identification and formulation of objectives,
2. The selection of appropriate indicators that can be used to measure the degree to which objectives have been achieved,
3. The establishment of appropriate methods and tools to detect deviations from the planned development in time for counter-measures to be taken,
4. The clear communication of objectives throughout the organisation.

In my presentation, I will try to explain how, on this basis, the EDQM plans and controls its processes and budget within a partial agreement of the Council of Europe.

Our objectives are derived from the overall objectives of the Council of Europe: to create a common democratic and legal area throughout the whole of the continent, ensuring respect for its fundamental values: human rights, democracy and the rule of law.

The EDQM contributes to the Council's overall objectives on human rights through our mission of ensuring access to good quality medicines and healthcare and promoting human and animal health. I will illustrate how we derive our objectives, targets and performance indicators based on the example of establishing and providing official standards for the manufacture and quality control of medicines, which is one aspect of ensuring access to good quality medicines and which is one of our activities. Since it is neither the aim of an organisation such as ours nor possible for anybody to manufacture medicines for an entire continent or the world, we achieve the objective of ensuring access to good quality medicines by, amongst other things, establishing appropriate, attainable

quality standards to be used in the manufacture and quality control of medicines in all the signatory States of the Convention on the elaboration of a European Pharmacopoeia and beyond.

To be more specific, this is achieved by the publication of the European Pharmacopoeia, a legally binding set of specifications for the quality of medicines together with a complementary activity, making reference standards available to the users of the Pharmacopoeia. For those of you who are not that familiar with our reference standards – physical standards needed to apply the monographs of the Pharmacopoeia - you could call them the “standard of measurement” for testing the quality of medicines and their ingredients.

Our performance in this field can be measured by the degree to which we actually get these standards developed and approved, and distributed throughout the continent and beyond. Hence, we have two important performance indicators to measure the achievement of this expected result:

- The adoption of 97% of pharmacopoeia texts submitted to the governing body, the European Pharmacopoeia Commission; according to the rules, all technical texts must be approved unanimously by the 36 Member States, and
- the availability of at least 98% of our portfolio of about 2300 reference standards at any time.

You will find these two important performance indicators in our logframes under the respective expected result.

In turn we translate these indicators into a number of operational objectives and performance indicators for EDQM entities, which have the common aim of increasing acceptance of our standards by users – while ensuring appropriate quality! – and fostering their spread and application. These operational objectives are then further translated into the personal objectives of the various staff members in the relevant areas. Of course, this needs to be complemented by control mechanisms to ensure that the activities are carried out within the available resources. This means that we measure the distribution (and this means sales) of our standards as an indicator of their application, while at the same time making sure that we stay within the financial framework.

This example shows that the objectives are measurable; they correlate with the main objectives (establishment and dissemination of our standards as part of our overall objective to ensure access to good quality medicines and healthcare and promoting human and animal health) and are realistic. In addition, results are constantly monitored to take any necessary corrective measures.

However, let me be clear: our definition of objectives, expected results and performance indicators is of course not perfect. There is always room for improvement; this also applies to control mechanisms. However, the increase in distribution of the Pharmacopoeia—be it in the form of the conventional book, the on-line or the off-line version—and the significant increase in the distribution of reference standards over the past years are in themselves evidence of achievement of the objective. Overall, this has been done through continual improvement of planning and control measures.

From the point of view of the EDQM, the challenge is to define appropriate performance indicators for the objectives and to identify those that are measurable and quantifiable. This is still relatively easy for the activities I have described in my presentation, as they are indeed measurable, but this may well be more challenging for other parts of the organisation.

To conclude, I very much appreciate being able to participate in this seminar and having the opportunity to get additional ideas for further improvements to the planning and controlling processes.