

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

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Introduction

As Director General of Administration (2003-2011) responsible for the introduction of RBB in the Council of Europe (as of 2005).

RBB was introduced as part of the reform process initiated by the recommendations of the report of the Committee of Wise Persons – chaired by Mário Soares – as endorsed by the Committee of Ministers in 1999, namely

“We recommend that every year, the Committee of Ministers approve a plan for the Organisation and establish clear priorities in each field and sector in the light of main priorities for the Organisation as a whole. (§63)

Greater discretion should be given to the Secretariat in the management of programmes and in budgetary management, coupled with increased accountability to the Committee of Ministers for results achieved. This could include a more flexible approach to the allocation of appropriations to prioritised activities. (§64)

There is a need to introduce a revised budget structure and reporting system based on the definition of objectives and the measurement of actual performance against predefined criteria (results-based budgeting). (§65)”

The process of implementation owed more to the “art of muddling through” than to “rational decision-making”. Three stages :

- 2000-2004 : preparatory work : financial decentralisation, move away from “a priori financial control”, “a posteriori performance audit”, reorganisation of intergovernmental programme of activities ;
- 2005-2009 : implementation within a context of a dualism : intergovernmental activities – other activities (institutions, partial agreements, etc. ;
- 2010-2012 : integration and drastic simplification of budget and programme ; a single biannual document.

Has RBB helped in the allocation of resources ?

The two main aims of RBB were to give managers greater discretion in detailed allocation of resources while increasing their accountability to decision-makers (i.e. the Committee of Ministers).

Effective communication and clear definition of roles, Secretariat and Committee of Ministers, was essential for success of operation.

RBB is one element of reform not the whole picture. No excessive claims should be put forward as regards impact of process.

Diversity of Council of Europe activities (Court, Parliamentary Assembly, standard-setting monitoring, co-operation, etc.) makes RBB particularly complex in the Organisation.

Terminology used was deliberately ambiguous : results are somewhere in the continuum between “outputs” (products and services delivered) and “outcomes” (impact on change process in terms of achieving objectives) depending on sectors.

Having adequate benchmarks is essential to assess extent of change process, i.e. results.

The Committee of Ministers has made very little use of the tool offered by RBB (whatever its shortcomings as implemented in the Organisation) when making strategic decisions on allocation of resources.

Decision-making continues to focus on allocation of resources by nature ; this is contradictory with RBB logic.

Lessons for the future

A number of issues need to be taken into consideration for proper use of RBB :

- avoid “time-shortening disease” i.e. focussing on a short-term rather than the intermediate or long-term ;
- bear in mind the “counterfactual argument” i.e. what would have happened if a particular programme/project had not been implemented ;
- avoid the “quantitative bias” i.e. it is not the number of ratifications of a convention that matters but how its implementation has changed things ;
- bear in mind that in most cases there are trade-offs to be made between different objectives and values (efficiency versus equity ; effectiveness versus sustainability) ;
- the value dimension of results is of paramount importance in an Organisation like the Council of Europe.