



White Paper
Development Projects:
For a Results Based Management

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The Idea in Brief

Why do projects, in particular in the context of development cooperation, sometimes deliver little or unsatisfactory results? Because they do not take enough a results based management into consideration.

A rigorous application of a result based management (hereinafter referred to as RBM) in planning and implementation would help to increase efficiency and to deliver tangible results. Moreover, it would contribute to create a positive momentum for reform processes.

In IDEATUM® we believe that both long-term global trends and local development challenges force the public sector and the development cooperation to adopt corporate management techniques for a more performance based approach.

Recently, the UN-summit on Millennium Development Goals (MDG) declared to intensify efforts by focusing on results to meet the MDGs by 2015.

The following White Paper presents seven key aspects of the RBM applied by IDEATUM® bridging the gap between development strategies and their implementation results.

The innovative feature of our RBM is its consequent focus on processes, tracking and optimization, and on humans running them, employees and beneficiaries, rather than on inputs. RBM is about what can you achieve and not how much you can spend. It is based on IDEATUM®'s lessons learned and gathers also the experiences of our partners.

The Idea in Theory

The standard paperwork is completed: the objectives, results, actions, resources, risks and performance indicators are defined; the so called "LogFrame-Matrix", according to the Logical Framework Approach, has been filled in.

Results guaranteed? Not necessarily!

Seven key aspects to help you significantly enhance the performance of your project and so to help you achieve the envisaged objectives.

First, you need to ensure that your envisaged objective is translated into results that are **unambiguous measurable and tangible**. In order to do so, you need to know the right indicators for the overall objective, i.e. how your clients, the beneficiaries of your project, actually assess whether the objective has been achieved or not. Furthermore, it will facilitate the results definition, if the identified indicators are as simple as possible, i.e. limited to very few quantitative indicators.

For example, a country wishes to improve its investment climate. For the private sector the investment climate may be resumed as the interaction with administration at each stage of a business cycle, from starting a business through paying taxes to closing a business. What's important for the private sector, are the costs and time of that interaction. Therefore, any improvement will be measured in terms of lesser time and lower costs of doing business. Consequently, making tax declaration online in 15 minutes instead of previously 1 day will be considered as a tangible, unambiguous and measurable positive result for the private sector.

Second, you should **focus on processes** instead on inputs when translating the results into appropriate actions. The identification of inputs must follow not precede a process tracking and optimization. Only after a comprehensive process analysis and optimization you will be in the position to specify the needs and designate the appropriate actions concerning e.g. the human resources and the IT system in order to speed up an administrative process. For example, investing in the existing manual archives of an administration may be a valuable input but obsolete in the context of process computerization and automation.

Third, you need to assess thoroughly the full **feasibility of each action**. It seems an obvious condition. However, due to the often applied “input-based” approach, the feasibility analysis is unfortunately not enough taken into consideration. What we mean here is the ability to link the project objective and results with its short-term actions and to ensure that the completion of each and every action produces the desired outcomes. It’s obvious that the implementation of a new IT system will not produce the desired outcomes, if the staff is not trained to operate it, neither if e.g. in the context of development projects a constant power supply is not secured. Moreover, you may find out that one department, business unit or administration, is not yet “ready” for the project implementation but a necessary actor to produce the desired outcomes.

If it occurs that some actions are not feasible, you should then track back the entire process, i.e. assess and redefine your results based on the remaining feasible actions. You may end up with a smaller project, a project module or phase, but with a feasible one. As long as the “remaining” feasible project will deliver positive and tangible results and so contribute to achieve your objective, it is better to implement it than to get stuck in a bigger one. Positive and quick results will motivate and create a momentum for replication and extension.

Fourth, you need to build a consensus around the project and to provide a basis for internal **feedback and accountability** in order to motivate and obligate.

Often projects are decided by those at the “top level”. Despite their best intentions, project’s results depend on those at the “local-level” who manage the processes and have to execute the project. New set of objectives and results means change management, and this means change the way humans do their daily work. You need to secure their commitment (**ownership**); even more, you need their active involvement (**leadership**).

The best way to ensure ownership and leadership is to “translate” project’s objective and results into terms that had meaning to the people who will implement it. You should then let them track and optimize the processes determining project results. They know best the problems and solutions hereto. Moreover, there may be a **Champion** who wishes things to be changed and knows how to do it. You need to identify that champion and to ensure he becomes a change agent to lead the project. This bottom-up process takes longer to design a project, but it offers several advantages: broader information basis and feedback; better understanding of the project by the employees and their stronger commitment to achieving project’s objective.

Ensuring ownership and leadership is a necessary but not a sufficient condition. You need to align employees’ performance with the overall project’s objective by **setting business unit or department goals and milestones and linking rewards to project performance** measures.

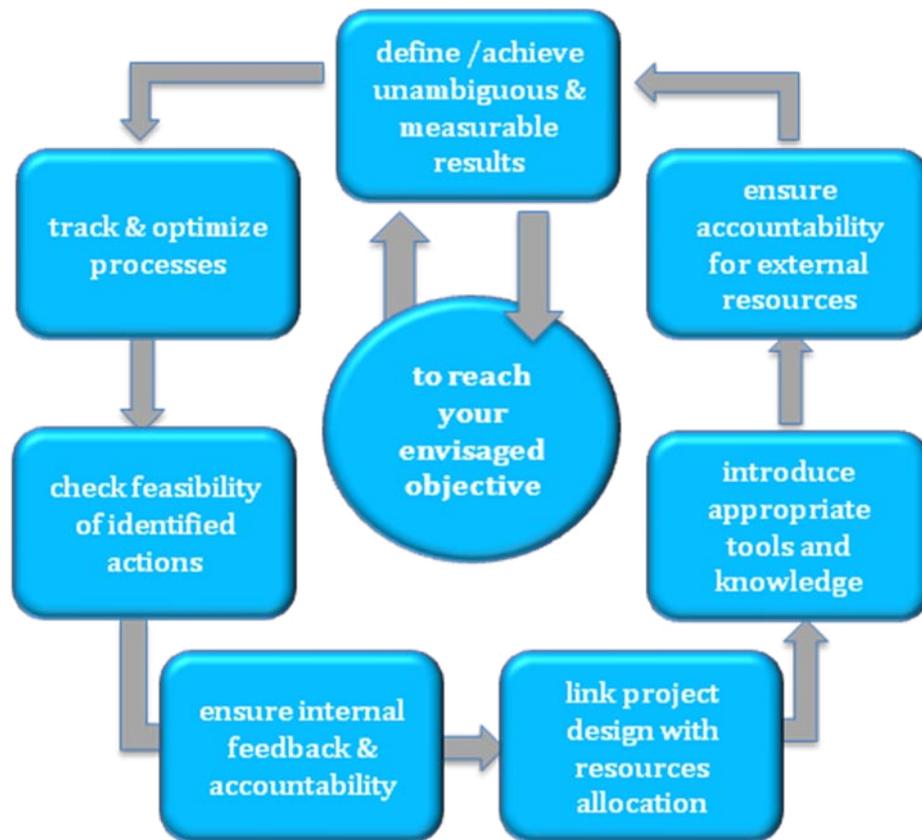
Finally, you need to ensure **all stakeholders' constant support** to the project. You can do so through regular communication on project design, monitoring and evaluation.

Fifth, you need to **link project design to the resources allocation and budgeting**. Unfortunately, in the context of development cooperation project planning and resource-allocation and budgeting are often separate processes run by different ministries or departments. Then, the budget allocated to the administration which will execute the project bears little relation to project's results and objectives. Moreover, many development initiatives and projects, and thus partner's ministries, compete with one another for scarce administrative resources, including the scarcest one of all: qualified staff. What is determining project implementation is the availability of resources. Linking project planning to the resource allocation and budgeting helps to ensure that budgets support the project.

Sixth, you need to provide those who will execute the project with **appropriate Tools and knowledge** for project management, i.e. for planning, implementation and supervision. Often the management of development project is based on individual and static Word or Excel sheets. However, as outlined above, linking actions to results, project planning to the resources allocation and budgeting, and individual performance to project objectives, monitoring short term results from several perspectives (internal, stakeholders', and beneficiaries view) and constantly evaluating project objectives in the light of its recent performance is a complex venture. Consequently, appropriate tools for a results based project management are those, which allow for a comprehensive, integrated and dynamic approach. What we mean here is the ability to model all details, to integrate all resources, to track all progress, and to evaluate the performance of the project on real-time basis.

Introducing these tools should be accompanied by training and capacity building, in particular for project champions. Furthermore, building knowledge supports ownership and leadership of an organization and contributes to its constant performance improvement.

Seventh, you need to provide basis for **accountability of external resources**. Similar to linking employees' rewards to project performance, you can link payments for external resources to project milestones and results. The implementation of many development projects rely on external expertise. To avoid that hereto related project budget has been spent although the project objective has not yet been achieved, you should apply results based contracting, a common practice in corporate business. Beyond the link to project milestones and results, results based contracting requires a meticulous analysis of each party's responsibilities and a specific method to measure the hereto related project performance.



If these seven key aspects are respected, are the results guaranteed?

If also the project underlying assumptions are fulfilled, Yes!

Moreover, a RBM forces you to be realistic in terms of what can be achieved and is an important prerequisite for motivation.

The Idea in Practice

The Government of a West African Country wishes to improve country's investment climate. To do so, the Government fixed among other priorities the objective to establish an enduring, trusted and efficient Commercial Justice system. Currently, resolving commercial litigation can take between 2 to 6 years, in some cases even longer. This is due among others to an archaic and obsolete filing and recording system, bureaucratic procedures with adjournments "sine die", absence of clear deadlines and accountability, and lack of expertise on commercial issues.

The hereto related project was defined according to a ROM respecting the 7 key aspects as follows:

First, unambiguous measurable and tangible results for the project were defined as the reduction of time from 230 to 100 days maximum, number of procedures from 20 to 6 and costs of commercial litigation from 45% to 25% of court case value.

Second, court processes were mapped in detail, e.g. filling, defense, mediation, summons for scheduling, etc. and their time, procedures and costs determined. Based on that, actions and inputs were identified for processes streamlining in order to produce the desired results.

Third, the feasibility analysis revealed several crucial problems, e.g. erratic power supply that would impede the automation of the court processes and devastated communication, office and transport infrastructure that would impose on a country and sector wide project an immense challenge. As a result measures were included for an independent power supply. Furthermore, project's objective was scaled down to one commercial court, in order to achieve quick and tangible results which would be rolled out in a latter project phase.

Fourth, process mapping and optimization was done by the staff of the commercial court. Staff consisted of representatives from all management levels and units of the judicial process. Process mapping was led by the Executive Secretary of Law Reform Commission and by the Court Chief Registrar, change agents and designated project directors. The new rules and procedures were then approved by all stakeholders and signed by the Chief Justice. They set clear goals and milestones for each judicial unit dealing with the commercial litigation process.

Fifth, project was designed based on available financial and human resources. The Ministry of Finance was involved from the very beginning in the project planning and in charge to validate the project budget, in particular Government's contribution. Project cash flow was aligned to the schedule of budget transfer from the Ministry of Finance to the Judiciary.

Sixth, project implementation schedule was elaborated with the Microsoft-Office Project Software. MS-Project allows for a comprehensive and dynamic planning, linking actions to results and to resource persons and establishing dynamic time and hierarchy relationships. It is a sufficient tool to ensure an effective monitoring of the project implementation.

Seventh, result oriented contracts for all external support were concluded. Project is currently under implementation.

You think it's a perfect world example? Check our website www.ideatum.de