



ADAPTATION FUND

AFB/B.8/8  
October 29, 2009

---

Adaptation Fund Board  
Eighth Meeting  
Bonn, November 16-18, 2009

## **RESULTS BASED MANAGEMENT FRAMEWORK**

## **BACKGROUND**

1. At the seventh meeting of the Adaptation Fund Board, the Board approved the Operational Policies and Guidelines for Parties to Access Resources from the Adaptation Fund (AFB/B.7/4, September 2009). As outlined in these operational guidelines, the Adaptation Fund Board will need to develop a Results-based Management (RBM) framework to support the Strategic Priorities, Policies and Guidelines of the Adaptation Fund.
2. The operational guidelines specifically state that the “framework will take into consideration existing good practice and lay out an approach that: (i) incorporates measuring results with widely recognized tools; (ii) assesses risk on an ongoing basis; and (iii) incorporates learning into strategies, projects and programmes” (para 47).
3. The operational guidelines specify further that the Adaptation Fund Board “will consider the process for developing a results framework to support projects and programmes and outline its main components with the aim of ensuring that the framework is in place before projects are approved” (para 50).
4. An RBM framework for the Adaptation Fund would be an operational construction that would explicitly link the strategic objectives and priorities of the Fund to the various programmes and projects that it finances so that collectively they help achieve the goal(s) of the Fund.
5. This document, prepared by the Secretariat, provides an overview of results based management, outlines the major components that could be included in a results framework, and provides possible steps that can be undertaken by the Board to develop a Results-based Management (RBM) framework for the Adaptation Fund.

## **OVERVIEW: RESULTS BASED MANAGEMENT**

6. Over the past 30 years, leading management thinkers have advocated for governments to take steps to manage for performance and results. What has emerged is an integrated approach to performance measurement that has been adopted by many governments, private businesses, UN agencies, development banks, and NGOs. The integrated approach ensures that performance measurement is brought together with the strategic planning and budgeting processes of an organization to support the alignment between its overall goals and the delivery of policies and programs to recipients and stakeholders.
7. As defined by the OECD/DAC, a results based management framework is “a management strategy focusing on performance and achievement of outputs, outcomes, and impacts.”<sup>1</sup> (see box 1).

---

<sup>1</sup> Glossary of Key Terms in Evaluation and Results Based Management, OECD, DAC, 2002.

## Box 1. Hierarchy Levels from OECD DAC Glossary of Key terms in Evaluation and Results-Based Management

**Results:** Changes in a state or condition which derive from a cause-and-effect relationship. There are three types of such changes which can be set in motion by a development intervention – its output, outcome and impact.

**Goal:** The higher-order objective to which a development intervention is intended to contribute.

**Impact:** Positive and negative long-term effects on identifiable population groups produced by a development intervention. These effects can be economic, socio-cultural, institutional, environmental, technological or of other types.

**Outcome:** The intended or achieved short-term and medium-term effects of an intervention's outputs, usually requiring the collective effort of partners. Outcomes represent changes in development conditions which occur between the completion of outputs and the achievement of impact.

**Outputs:** The products and services which result from the completion of activities within a development intervention.


**Activities:** Actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources are mobilized to produce specific outputs

**Inputs:** The financial, human, and material resources used for the development intervention

8. The 'results chain' is the center of RBM and it provides a structured logic model that lays out the sequence and steps necessary to achieve stated objectives - beginning with inputs, which support activities to generate outputs, outcomes and impacts (see figure 1).

**Figure 1: Results Chain**

**The 'Results Chain'**



Cause – Effect	Definition
Impact	Positive and negative, intended or unintended long-term results produced by the Adaptation Fund activities, either directly or indirectly.
“Outcome”	The medium-term results of an operation's outputs.
“Output”	The measurable products resulting from an adaptation project that are relevant to the achievement of outcomes

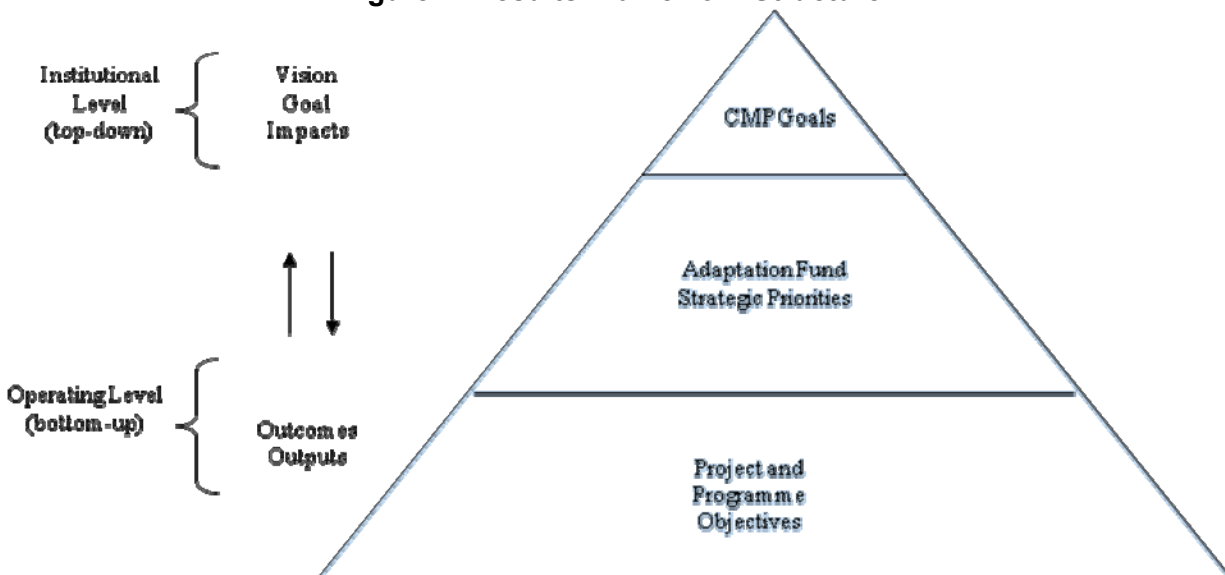
9. Given the governing structure of the Adaptation Fund and the project and programme-driven nature of future operations, the RBM framework can be structured as a two-way process, combining a top-down and a bottom-up approach.

10. The top-down process relates to the establishment at the institutional level of an overarching goal provided by the CMP and strategic priorities as set by the Board. The bottom-up process relates directly to the building blocks of the system, viz., the projects and programmes. Projects and programmes should reflect the strategic priorities of the Adaptation Fund, which in turn should address the overall goals of the Fund.

11. A pyramid structure has been used to illustrate the key organizational levels at which performance measurement systems can be established (Figure 2). Each level of the pyramid is connected to the other in both an upward and downward direction. In this model the key point for a monitoring system is the logical/results framework (logframe) of a programme/project. The

logframe approach (LFA) is not new but it is still useful because it is built on the planning concept of a hierarchy of levels that link project inputs, activities, outputs, outcomes, and goals. A cause-and-effect relationship is assumed, with elements at the lower level contributing to the attainment of those above.<sup>2</sup>

**Figure 2: Results Framework Structure**



*RBM at Programme/Project Level*

12. Programmes/projects are at the center of an RBM framework. A logic model is a well known and useful tool for all stakeholders involved in a programme/project– the administrators, managers, staff, partners, evaluators, among others. It lays out project objectives, expected results, main risks and important assumptions that make hinder performance.

13. A programme/project logframe should be aligned with and contribute to an organisation’s overall goals. Monitoring of the logframe provides valuable information to decision makers on what works, and should influence management decisions, strategy, and policy updates. Evaluation provides evidence of programme/project results at outcome and impact levels and contributions towards higher level goals. Information from monitoring and evaluation should guide other RBM processes such as strategic planning and policy formulation, as well as project design

14. Programmes/projects implemented through Adaptation Fund financing will form the basis of any RBM framework. As such, tracking results begin from a programmes/project vantage point. At a programme/project level, results are tracked during implementation and evaluated periodically as well as at

**Benefits of RBM**

The main benefits of a robust RBM approach for the Adaptation Fund would be:

**Improved performance** resulting from more efficient processes to support project development, monitoring and reporting based on regularly updated monitoring information. RBM gives particular attention to reducing project development time and costs, avoiding repeated weaknesses, and providing stakeholders with timely feedback.

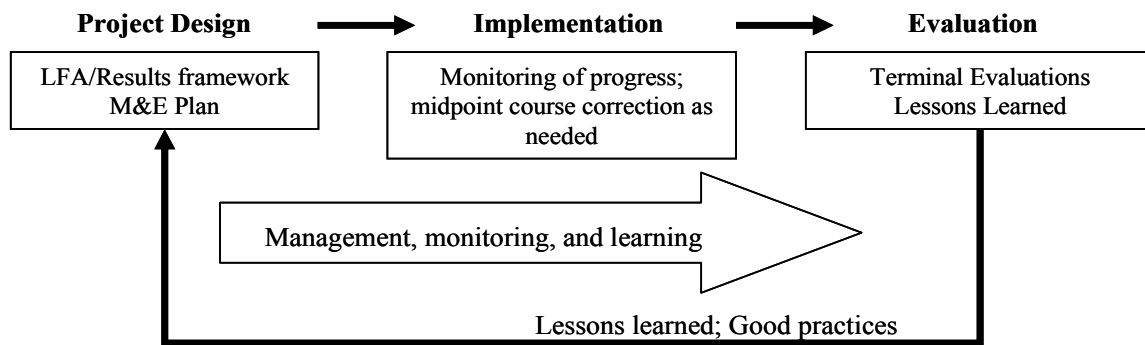
**Greater catalytic impact** of Adaptation Fund projects based on a standardized and regular flow of performance information. Attention would be given to sharing and disseminating lessons and replicating good practice.

**Coordinate and streamline** portfolio management by using performance information and making targeted decisions based on the information received.

<sup>2</sup> *Results Based Management in the Development Co-Operation Agencies*, OECD/DCA 2000 (p. 19).

programme/project completion. It is important that the three major phases in a project's evolution are linked: (a) project design; (b) implementation; and (c) evaluation. Breaking down the programme/project cycle into these three phases, highlights the learning and management aspect of the RBM framework (see figure 3).

**Figure 3: Tracking Results<sup>3</sup>**

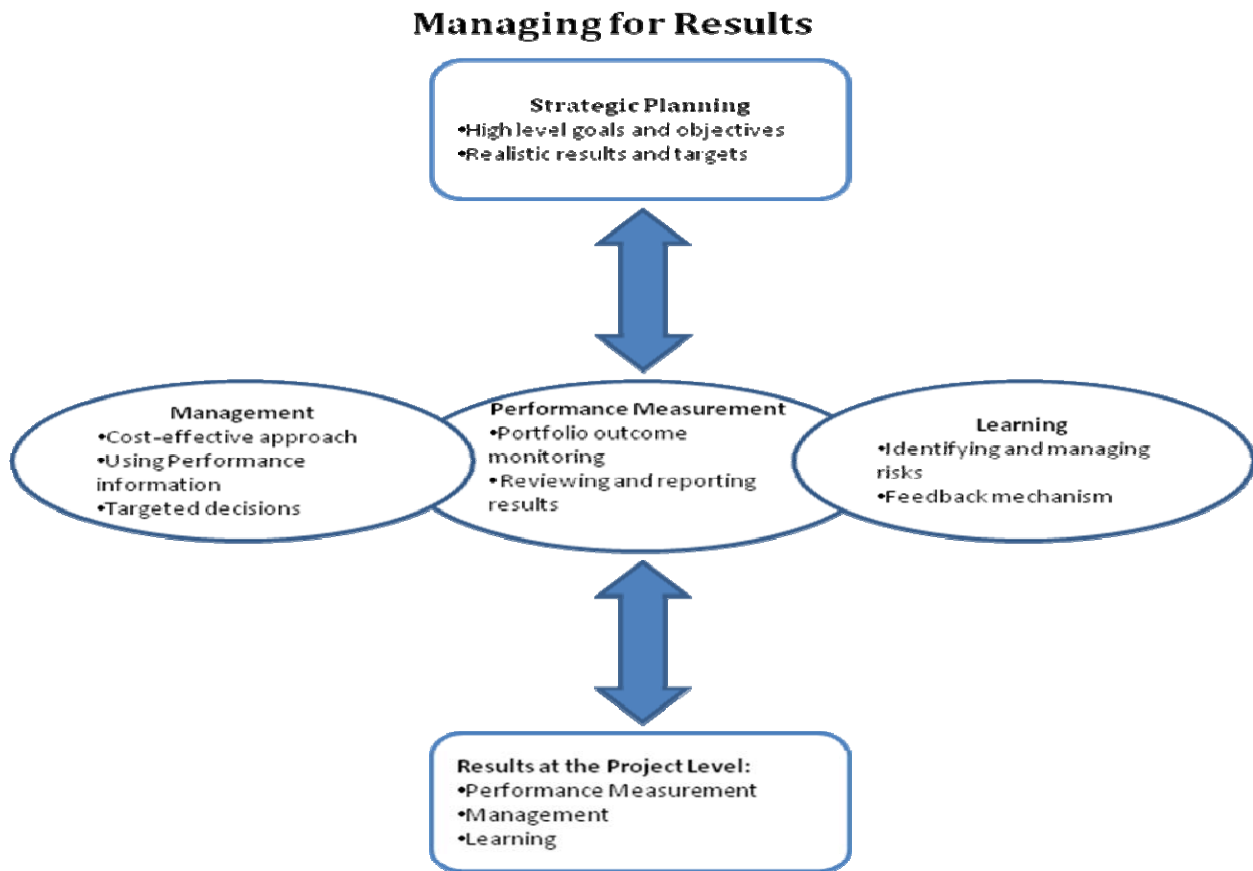


### *RBM Components*

15. As the earlier sections have outlined, several key components are essential in an RBM framework, including measuring improved management, measuring performance, and learning (see figure 4). The following section describes in greater detail the different components that make up a complete RBM system.

<sup>3</sup> Adapted from the World Bank's *Results Focus in Country Assistance Strategies*, July 2005, p. 13

**Figure 4: RBM Components Aligned with Project Objectives**



*Process Monitoring and Management*

16. RBM can help to promote efficient management techniques. The systematic approach of gathering and assessing data and results on progress towards objectives is a cost-effective way to diagnose early weakness in implementation plans. Periodic and targeted information would help the Board recognize those activities which generate the highest pay-offs in terms of results, or those which appear to need more support to deliver results aligned with strategic priorities. The Adaptation Fund Board would then be able to track and measure progress towards objectives, and make targeted decisions to improve performance on an ongoing basis.

17. Process monitoring takes place on an ongoing basis to track whether portfolios are being implemented as intended, standards are being met, and resources are being used efficiently. Adaptation Fund process monitoring would allow the tracking of strategic priorities and fund level efficiency and effectiveness based on selected management indicators and appropriately set targets.

*Performance Measurement and Monitoring*

18. Project/programme and portfolio outcome monitoring, at both fund and strategic priority levels, guide the measurement of core outputs leading to outcomes achieved during a project's life. Immediate outcomes, core outputs and other measures of performance are good proxies for

progress towards achieving higher-level results. Longer-term outcomes and impacts will be assessed through evaluations. Reporting and sharing results is an important part of performance monitoring. An annual report could be developed as the principal instrument for reporting on active adaptation programmes/projects. In such a case, all programmes/projects would submit annual progress reports that would feed into an overall report. Outcome monitoring would include defining realistic expected results that meet country-identified needs and that align with the mandate of the Adaptation Fund.

19. All programmes/projects should be regularly and systematically monitored and evaluated in order to manage for results. A monitoring system needs to be developed to track progress towards results in relation to targets. The system should include information on processes, performance covering intended and unintended consequences and risks.

20. Evaluations are generally carried out at mid-term and at the end of the project; however thematic evaluations can be undertaken at any time depending on the purpose and ex post evaluations are done sometime after project closure.

21. A good system depends on paying adequate attention to monitoring and evaluation during the initial design phase. Good practices for monitoring include: involving stakeholders, completing a detailed situation analysis, ensuring a logical intervention strategy, identifying cross-cutting objectives, planning for capacity development and sustainability, and planning for learning and adaptation. A monitoring and evaluation system should be designed for the Adaptation Fund and all programme/project documents submitted for approval should outline monitoring and evaluation plans with a budget. The monitoring and evaluation systems should provide data and results for project level and strategic priorities, which can then be aggregated to the Adaptation Fund level. Such a system requires a good results oriented management information system.

### *Learning*

22. Knowledge management and learning are main components of RBM and are important components for any organization dealing with adaptation to climate change. Learning encompasses a cycle of planning, periodic performance assessment and organizational learning – all of which are supportive of knowledge creation and sharing. It is important to ensure that learning influences strategy development and programme/project design, and that lessons are fed back into programme/project implementation. A learning component is also critical for identifying and managing risks while bearing in mind the expected results and resource levels. This will involve increasing knowledge by learning, knowledge dissemination and feedback into decision making, project design and strategy development.

### *Steps for Establishing an RBM*

#### *Identifying Strategic Priorities*

23. RBM generally starts with a strategic planning process that identifies strategic priorities aligned to the mandate of the organization and to global goals or targets, towards establishing a strategic results framework. The framework enables an organization to translate its mandate and strategy into tangible results to support ongoing planning, management and results monitoring and measurement. A strategic results framework would help the Adaptation Fund Board define objectives and priorities, measure results, and demonstrate contributions to achieving higher level goals, for example the CMP goals.

24. A strategic results framework contains high level goals and objectives, appropriate indicators and targets, all essential for monitoring progress toward results and utilization of resources. Expected results are defined at impact and outcome level. All results should be formulated so that they are measurable, verifiable and relevant. Importantly, resources should be adequate for achieving the identified results (see Annex 1 for an example of what a generic results framework would look like).

#### *Setting Indicators and Targets*

25. Once strategic priorities are identified, developing a full-fledged RBM can be divided into three phases as outlined below:

##### **Phase 1**

- **Identify Indicators** to measure achievement of results. Indicators can be a quantitative or qualitative in nature but should provide a simple and reliable means to measure achievement, or to reflect changes connected to an operation or activity.
- **Set Targets** to work towards a desired level of performance. Targets are quantitative and specify what is to be achieved within a specific time period, as a result of the operation of an activity. A target corresponds to a pre-defined performance indicator.
- **Design and Operationalize a Performance Monitoring and Reporting System.** The system should capture ongoing results through the collection and analysis of data that is timely, reliable, and cost-efficient.
- **Integrate Evaluation** as a key performance tool. Evaluations should be conducted at midterm and project termination for all projects at a minimum.

##### **Phase 2**

- **Develop a Learning and Knowledge Management Strategy**
- **Feed Learning** back into the Adaptation Fund strategy, policies and projects

##### **Phase 3**

- **Defining Strategic Alignment** - strategic alignment means translating RBM into *“all aspects of the organization working in the same direction”*
  - Projects aligned to organizational strategic priorities and higher level global goals
  - Process Monitoring and Management
  - Work planning and Performance Reviews
  - Staff performance reviews
  - Internal Reporting and Feedback Requirements

#### *Challenges to RBM and Adaptation*

26. There are a number of unique challenges posed by adaptation to climate change, these include:

- The multi-sectoral nature of adaptation and the involvement of a large number of stakeholders.



- Results attribution which can be even more problematic in adaptation programming. Mainstreaming adaptation programmes involves a number of incremental activities in several sectors. Adaptation responses constitute processes that may require changes to livelihood strategies, infrastructure, institutions, and natural resource and ecosystem management. This may mean that adaptation progress is hard to distinguish from wider sectoral advances.
- A potentially moving baseline due to many uncertainties with climate change impact, including variability. These types of changes often require a longer-term view; however the project context is short-term.
- The long timescales associated with climate change and the effects of climate variability may make it difficult to define success. The wide range of adaptation areas of intervention only compounds these problems.

27. When developing the strategic results framework, including the definition of goals, objectives and results, these challenges related to uncertainty must be factored in. For example, given the difficulty to establish outcome-based targets, a measure of progress might be the most reliable indication of reaching an objective.

28. The establishment of baselines to measure progress against, and towards set targets is essential. Equally important is assessing the risks and vulnerabilities associated with climate change and ensuring that risk, vulnerability and opportunities are embedded in all decision making, services and planning. Risk and vulnerability assessments provide useful information to the project baseline. All Adaptation Fund projects should include risks and vulnerability assessments with a baseline as a part of the project documentation.

#### *Next Steps*

29. The Adaptation Fund should consider a comprehensive RBM approach that links planning, management, results measurement, and learning.

30. It is recommended that the Adaptation Fund Board request the Ethics and Finance committee to develop a RBM for the Adaptation Fund. The first step would be to develop an Adaptation Fund strategic results framework with high level goals and objectives. The Secretariat will assist as requested with ensuring conformity with good RBM practice and in the identification of fund level indicators.

31. Once the strategic results framework is in place the Ethics and Finance committee with the support of the Secretariat as needed, should further develop the RBM system focusing on phase one of the process as outlined in paragraph 25. Both this work and the strategic results framework should be presented at the next Adaptation Fund Board meeting in March 2010.