12 March 2018

System Management Board commentary on the Evaluation of Results-Based Management in CGIAR [1]

A.   Overall Commentary

1.   The Board values the important role of results-based management (RBM) in supporting a shared research agenda aimed at contributing to the achievement of the Strategy and Results Framework 2016-2030 (SRF) and key Sustainable Development Goals (SDGs).

2.   The Board recognizes that in working towards an integrated framework for a performance management system for CGIAR Research, as is articulated in the Charter of the CGIAR System Organization[2], RBM should be a key contributor.

3.   Further, the Board recognizes that any performance-based management framework put in place for the System needs to be able to support RBM in the CGIAR Research Programs (CRPs) and the Centers, be able to provide an opportunity for learning across the whole System and also provide inputs into results reporting at the System level.

4.   The Board therefore welcomes the Evaluation of Results-Based Management in CGIAR which sought to "(a) To provide evidence and lessons as an input to implementing an RBM framework during the most recent phase of CGIAR's Research Programs (CRPs); and (b) to formulate recommendations for increasing the relevance, efficiency and effectiveness of further RBM iterations" (*RBM Evaluation Report,* page vi). The findings, conclusions and five recommendations provide valuable lessons, insights and guidance to the Board as the Performance-Based Management system is being developed across CGIAR.

5.   While the evaluation report stated that "*In 2008, an independent external review of CGIAR emphasized that CGIAR needed to 'adopt modern results management techniques' among other essential changes*"[3], the Board noted that the evaluation found that:

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[1] This commentary is prepared pursuant to Article 8.1(tt) of the *Charter of the CGIAR System Organization (June 2016),* which provides that the System Management Board's role is to '*review IEA evaluations of the CGIAR Portfolio, functions and structures and provide comments to the System Council for its consideration'.*

[2] Charter of the CGIAR System Organization,
   https://cgspace.cgiar.org/bitstream/handle/10947/4370/Charter%20CGIAR%20Organization.pdf?sequence=4

[3] *Bringing together the best of science and the best of development*. Chapter 12, Managing for Results, CGIAR Independent Review of the CGIAR System Technical Report, November 2008, page 326

> *"Centers, responding to a global context in which performance management requirements were becoming more pronounced, were already engaged to varying degree in RBM prior to the 2009 CGIAR reform commitments, and continued to be so during the period covered by this evaluation. Many of the Centers, that are the foundation of the CRPs, have embraced their own RBM approaches, and some are notably providing leadership from below to System-level efforts"* (RBM Evaluation Report, page vii*)*

6. In addition to areas for improvement that have been suggested by the evaluation, the Board finds the establishment of a plausible theory of change (ToC) useful, including the identification of 5 distinct pathways of change[4], which could be further built on to improve RBM in CGIAR.

7. The Board recognizes that various CGIAR-associated groups can support RBM (ISPC, IEA, System Management Office and MEL CoP), as pointed out by the evaluation. The Board is guided in fulfilling its function by the Charter of the CGIAR System Organization which indicates that it '*recommend a proposal to the System Council for an integrated framework for a performance management system for CGIAR Research <u>developed by the System Management Office in coordination with other system entities</u>'* (8.1 ii). The Board therefore notes the ongoing engagement of the System Management Office, the MEL CoP and other System entities such as ISPC and IEA in the development of key elements of performance-based management being established for the CGIAR System. The Board also supports the need for Centers and CRPs to develop clear and context-specific follow-up actions to strengthen their RBM systems.

8. The Board notes some key points highlighted by the MEL CoP as its members reflected on the evaluation findings and recommendations:

    a. There needs to be a clear articulation of when RBM is generating and utilizing robust data and information on results and performance in allocative decisions within and across programs.

    b. Recognizing the limits to attribution of downstream changes and application of RBM in the context of research organizations is extremely important.

    c. It would be beneficial to identify to what extent the major investment in theories of change has led to (even indicative) discernible improvements in actual performance, and how Centers and CRPs are able to apply lessons generated from focusing on results.

    d. Given that effective RBM relates to multiple functions and evaluation levels in the System (CRP, Centers, ISPC), it is key to understand how data and evidence from these different levels will be brought together in any system-level mechanism, and

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[4] Described in the Evaluation of RBM in CGIAR Volume II- Annexes to Final Report ANNEX C – CGIAR's ToC for Embracing RBM

which parts might require strengthening to best support better, evidence-based decision-making and learning.

B.   Specific comments on recommendations

9.   The evaluation provided five (5) recommendations which the Board has considered and provides comments on, and, where appropriate, indicates any current or planned activities bearing on the recommendation.

Recommendation 1. **Develop system-level conceptualization and guidance for RBM**

The CGIAR System Organization should **develop a conceptual paper that describes its vision, objectives expected results, and implications from using an RBM approach that embraces good practice principles**. The paper should **include a theory of change** (considering the one developed by this evaluation) that describes how this management approach is expected to make a difference for CGIAR at System, CRP and Center levels, and what moving in that direction is anticipated to involve both in strategic and operational terms. This is not about creating a top-down reference framework to comply with, but something that can help RBM better serve CGIAR in fulfilling its mission at all levels.

The SRF, in its periodic iterations, should be aligned with this RBM conceptualization and guidance paper.

In its conceptualization of RBM, CGIAR should embrace both accountability and learning as equally important for adaptive management. Further adaptations of RBM by CGIAR should balance these two RBM competencies and champion both equally. The foundation of CGIAR's RBM should be built on capacity-based accountability; the notion that member Centers are centers of excellence, that CRPs bring together enormous organizational capacity, and that System-level structures that support RBM (SMO, IEA, ISPC/SPIA) provide investors with a foundation for due-diligence and results accountability. Accountability, should embrace not just the need to provide credible performance data, but also to support learning i.e. evidence of effective learning as an important component of accountability.

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10.   <u>The System Management Board agrees with this recommendation</u> and notes that, pursuant to Article 8.1 (ii) of the Charter, a proposal for an integrated framework for a performance management system for the System is being developed by the System Management Office in coordination with other system functions and entities. Results-based management will contribute to this, with achievements in this area already including:

   a. A **conceptual framework**, presented to the System Council[5], which differentiates among three spheres that determine the extent to which there is control over research results and contribution to development impact: control, influence and interest.

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b. A set of **nine common results indicators** to support System-level aggregated reporting results, endorsed by the System Council (SC/M5/DP5).

c. The concept of a **CGIAR System Annual Performance Report** to provide consolidated programmatic, financial and intellectual assets reporting for the 2017-2022 CGIAR Portfolio, endorsed by the System Council (SC/M5/DP5).

11. The Board notes that further conceptualization of performance management, including a theory of change, will be presented to and discussed by the System Management Board and System Council during 2018.

12. On the recommended alignment with the Strategy and Results Framework (SRF), the Board notes the endorsement of a proposal for the CGIAR System to adopt a business planning cycle which could in itself serve as a performance management framework. This approach would encompass strategic coordination and linkages between elements such as the SRF, financing, programmatic elements, institutional innovation, evaluation and impact assessment, which are all key elements of performance. The business cycle will provide a systematic approach to the sequencing of major operational, financial and institutional decision-making at the System level and facilitate building lessons from the use of RBM across the System.

13. The Board recognizes the need for RBM to support both accountability and learning and supports the System Management Office in its function of '*development of an integrated framework for a performance management system for CGIAR Research that provides feedback on progress and results and contributes to decisions on the allocation of resources*' (Charter, Article 11 hh).

Recommendation 2. **At System level, decouple budget allocation and performance assessment**

The System should support the development of a RBM framework that has dual functions: helping CRPs (and Centers) further develop their own internal and cross-Center RBM processes, and helping the CRPs report on outcomes and impacts from their research as contribution to CGIAR's collective results.

This means "letting go to get more": system-level information needs should serve related but distinct purposes of prioritizing CRP research and allocating budgets, and this should be decoupled from CRP and Center efforts to manage their own results frameworks.

Allocation of budgets, and budget shortfalls, should be based holistically on an array of credible types of performance information and on considerations of research priorities for CGIAR, and not rely on reported achievements against targets for a single set of SRF outcome indicators. Annual performance assessment and performance reporting by the SMO should be based on the latest information from a constantly renewed dashboard fed by IEA evaluation reports, ISPC proposal and impact assessment work, annual CRP reports related to their own performance frameworks, and selected, valid operational indicators.

14.   The Board partially agrees with this recommendation. While performance assessment is only one of many factors that would influence fund allocation, the Board does not agree that poor performance can be completely ignored and "decoupled" from funding, which seems to be implied by the main heading of the recommendation. On the other hand, the Board agrees with the main thrust of the ideas expressed in the body of the recommendation.

15.   The Board is committed to overseeing "*the development of an integrated framework for a performance management system for CGIAR Research that provides feedback on progress and results and contributes to decisions on the allocation of resources*" (Charter, Article 11 hh). A performance based management system is under construction at the moment, and its broad outline will be reviewed by the Board in its April 2018 meeting, before being taken to the System Council's May 2018 meeting for inputs and further elaboration. It is foreseen that it will reflect several of the principles outlined in the body of the recommendation above, including:

    a. Performance assessment at system level being based on a variety of information sources, and not solely on "reported achievements against targets for a single set of SRF outcome indicators" (from Recommendation 2).

    b. Funding allocation taking into account "an array of credible types of performance information and on considerations of research priorities for CGIAR" (from Recommendation 2).

    c. Work is also underway on a system-level results "dashboard".

16.   With regard to allocation of budgets, an allocation strategy[6] includes key building blocks:

    a. To better and more systematically capture the performance of the Portfolio, an '**Annual Performance Report'** will be piloted in 2018, and in future will be made available annually.

    b. Agreed **allocation prioritization** based on a range of criteria including 'estimates of likely results', with ground-truthing based on available information from accumulating results data in CRP annual reports and adoption and impact assessments.

    c. A **dashboard** will be developed that will be closely aligned to the CGIAR Annual Performance Report, with the possibility to drill down beyond top-level information and indicators to underlying details, and which can be interrogated

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[6] 'An allocation strategy for the CGIAR System' endorsed by the CGIAR System Council at its 5th meeting, and including approved allocation criteria domains and information sources: https://www.cgiar.org/wp-content/uploads/2017/11/SC5-06_AllocationStrategy.pdf

at any time of year. The intention is that the dashboard will also link to other data and information generated by other functions and entities of the System.

17. The Board supports an ongoing consultative process for the development of a performance-based management system that can best serve the needs of the System and its various entities and constituent parts.

Recommendation 3. **Invest in a CRP driven, system-relevant Management Information Systems**

RBM is based on an ability to collect, analyze and use massive amounts of data that can be safely stored and easily accessed and sorted. This is doubly the case for CGIAR which works to coordinate efforts of a complex array of CRPs and many implementing partners. Significant investment in MISs is a pre-requisite for CGIAR's success with the RBM approach. When building CGIAR's MIS, CRP and Center needs must come first.
As such, the System should support the ongoing development of MARLO and similar initiatives in CGIAR, if seen promising, with annual core funding. The challenge is to make the systems simple enough to make RBM easier rather than more complicated.

18. <u>The Board agrees with the recommendation</u>, recognizing that there are many requirements to be taken into account and to be built on in the development of RBM that serves the needs of the System as a whole. The System Organization is making a financial investment in additional development of a MARLO module to serve as the front end for Management Information Systems (MIS) to be able to contribute to an interoperable dashboard. In doing so, the System Management Office is working closely with Centers and CRPs, including through the MEL CoP, on this development to take into account the needs and resources of the Centers and CRPs, but also with the additional goal of responding to system level reporting needs for funders and others.

19. Recognizing that various information technology (IT) systems are being used across the System, a system-level management information system (MIS) will need to establish interoperability. The Board recognizes that such a system that is able to support an appropriate Dashboard (paragraph 18c) requires significant investment.

Recommendation 4. **Identify and empower RBM support function at System level**

Support for RBM from System level should be more conscious and coherent than in the past and the RBM function should be clearly mandated to provide practical and helpful RBM services directed to the needs of the CRPs. There should be at least one System Management Office-based, full-time specialist with competence in RBM and with specific terms of reference to encourage collaboration around shared MISs, shared learning, and innovation related to RBM process and tools. The schedule for external evaluations and impact assessments should be coherent and mutually supportive. The System Management Office should lead the development of best practice RBM that draws on relevant technical expertise

from IEA and SPIA as independent advisory bodies. The goal should be to strengthen CGIAR's vision for RBM best practice, and have the System Organization more successfully conceptualize and coordinate the further adaptation and adoption of effective RBM.

20. <u>The Board agrees with this recommendation</u>, given the importance of having strong capacity and vision at System-level to improve data collection, analysis and use of RBM as a key element of an effective performance-based management system, and to be able to provide necessary support to RBM in other parts of the System. As such the Board supports that:

   a. The System Management Office, having identified this as one of the priority areas in its 2018 Business Plan, is planning towards **establishing the necessary capacity, activities and systems** that will support successful achievement of the goals for performance-based management in 2018 and beyond.

   b. A proposed **business cycle approach**, supported by the System Management Board and endorsed by the System Council for further development, will aim to coordinate the relationship between performance, evaluations and impact assessment, but also the intersections with funding, strategic direction and institutional innovation.

   c. The System Management Office is engaging in a **consultative process with key stakeholders and other System entities** in the planning and implementation of performance-based management.

Recommendation 5. **Develop and implement annual RBM capacity building work plans**

The System Management Office should prepare an annual workplan for RBM capacity building and learning, and a budget should be allocated for the priority initiatives outlined in the work breakdown structure of that work plan. In 2014, RBM piloting was allocated USD 4 million for learning. This is an indication of the type and level of investment, targeted to support RBM adaptation, learning and sharing, that is needed on an annual basis.

The following elements should be a central part of ongoing RBM capacity building efforts:
a) A cascading range of appropriate experts should be identified as RBM champions from Centers, to CRPs, to System. These champions should have clear responsibilities to support RBM imbedded in their individual terms of reference and job descriptions. These RBM champions should together identify and support priority RBM capacity building initiatives and advocate collectively for donor support. The focus of this support should be on making RBM work for CRPs in enhancing and sustaining their effectiveness.
b) An active CGIAR monitoring, evaluation and learning community of practice should continue to be supported, and be facilitated by the System Management Office. It should be directed by CRP priorities and consciously embrace RBM best-practice principles.

c) To further boost RBM learning and expertise, CGIAR should provide an innovation fund that serves CRP-based learning and development of practical tools and options related to RBM.

21. <u>The Board partially agrees with this recommendation</u>, agreeing that capacity building and learning are necessary in the implementation of specific RBM elements and a wider performance-based management system, but noting that this may be achieved through various pathways.

22. In addition to a handbook to provide guidance on particular elements being introduced, a wider roll-out and training plan will be put in place to support the overall implementation of RBM as it contributes to the performance management system.

23. The Board notes the elements recommended by the evaluation to be a central part of ongoing RBM capacity building efforts and strongly encourages that:

   a. Centers and CRPs consider how best to have champions to support the strengthening of RBM.

   b. An active Monitoring, Evaluation and Learning Community of Practice continues to bring together RBM specialists from Centers, CRPs and System entities to work together on RBM best-practice principles, facilitated by the members themselves.

   c. Innovative ideas be explored for supporting effective performance-based management with positive incentives, opportunities for learning, and the evolution of tools and methods.

   d. An evolving set of minimum performance standards be used to encourage the improvement of performance management in each cycle.

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