

Results Framework Document: A Rapid Appraisal

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Section IV

Usefulness of the Document in Present Context

Usefulness of the RFD in the present context is very much dependent on the value addition that the RFD makes to the departmental effort to assess the results of its programs. In this context, an attempt is made to delineate the strengths, weaknesses, opportunities and the threats posed by the RFD effort of the Government of Karnataka.

Strengths: The shift in the performance focus of the government from 'inputs' to 'outcomes' or 'results' which is the essence of RFD, is very essential, as performance assessment based on input assessment can distort the allocative efficiency of public expenditure in a big way. This can happen on account of the two basic erroneous underlying implicit assumptions that the input based budgeting makes, a) Financial allocations are tantamount to governmental performance and b) the priorities remain largely the same year on year as financial allocations of the previous year guide the ensuing allocations, typically resulting in incremental budgeting and in the absence of results information, financial performance becomes the default measure of performance. The incremental budgeting can also lead to bloating of budgets and fiscal indiscipline in the medium to long-term. Hence, moving away from inputs and outputs to outcomes/results is a very welcome measure. This approach is also very much in line with the global thinking. The results focus as very aptly described in the RFD guidelines serves two main purposes a) shift in focus of the department from process-orientation to results orientation and b) provide an objective and fair basis to evaluate departmental overall performance at the end of the year. In addition, yet another important purpose that the results focus can serve is to enhance allocative efficiency of public spending, as the results can guide in an informed decision making by the departments, thus reducing the wastage of scant public resources.

Weaknesses: There are two kinds of weaknesses that are associated with the current RFD effort. First one relates to the design of the RFD itself and the second relates to the translation of RFD guidelines into departmental RFDs. Regarding the design of RFD- the departmental performance is ultimately summed up by scores wherein the performance gets rated. This is a typical form of advance performance assessment

practice used by countries such as USA and UK and its success is largely dependent on the availability of appropriate performance information. Countries such as USA and UK have spent decades generating performance information. Marc Robinson states, "The most successful example of such a system is the US 'Program assessment Rating Tool' under which the performance of each and every federal program was rated (as 'effective', moderately effective', 'adequate', 'ineffective' or 'results not demonstrated') over a five year period. While this system appears to work very well in the US, this is only because the summary program performance ratings draw on a mass of established performance indicators and program evaluations. There are very few countries in the world that have, or could expect to develop in the short or medium terms, a sufficiently strong performance information system to make this approach work." (Robinson, Marc, 2009, 9)

Another weakness of the RFD effort lies in poor translation of RFD guidelines in to meaningful and appropriate documents by certain departments This has been largely on account of the inadequate capacity in developing the RFD document. The results focus being a new concept, the officers, who are otherwise involved in reporting performance in conventional methods need to be adequately trained in the new methods, failing which, RFD reports get generated, albeit without much utility. Slating of departmental objectives that normally should be on the expected outcomes of the department has been on the inputs in certain departments. The sections two and three which basically report the interse priorities among key objectives success indicators and targets, and the trend values of success indicators, there has been listing of very many input and output/activity indicators that the departments can get bogged down with loads of information that may not serve the utility that the RFD is expected to serve. Description of variables in section 4 has turned out to be one of the schemes and the measurement methodology is hardly described, largely on account of the fact that most of the variables included in the list of success indicators relate to inputs and outputs which may not require any specific methodologies for measurement. Section 5, although the RFD guidelines expect the departments to make 'specific' performance requirements, the departments have filled in general information. Section six, which is the most important section describing the outcomes should capture all the departmental activities and list the achievements of the relevant indicators and also set targets for the medium term.

Opportunities: RFD approach provides a unique opportunity to enhance the much required 'fiscal space' on the public expenditure front, as the framework is a tool that aids in informed decision making. RFD will, if and when developed in the true spirit of results framework, can certainly help the departments weed out the expenditure programs that have served their purpose and outlived their utility and thus help utilization of resources for impending needs and priorities. Resource driven fiscal space alone, cannot sustain the fiscal health of the governments in the long run if the public expenditure is allowed to grow unchecked. Government of Karnataka's fiscal recovery of the last decade is largely on account of the revenue reform initiatives, and sustaining this recovery in the long-run is largely dependent on the containment of unproductive public expenditure.

Threats: There is a potential threat of subjective bias creeping into the performance assessment which is based on assignment of weights, as there is an element of rating involved. The tendency to include too many indicators (very often more of input and output indicators than the outcome indicators) has often resulted in massive amount of data collected involving huge manpower and financial resources. In addition, the authenticity of the performance data provided becomes questionable, when not adequately backed by proper checks and balances. Countries like Canada and Australia have a third party evaluation of the performance reported. The federal Office of the Auditor General audits the quality of a sample of departmental performance reports, generally every two years.

Section VI

ATF (GOI) Suggestions on the RFDs

The draft departmental RFDs were reviewed by the GOI officers and suggestions made for recasting the RFDs. We have examined the RFDs of the select departments to check for the changes effected by the departments at the instance of the GOI team. All the departments have incorporated the changes suggested by the GOI team. However, the research team could not make one to one comparison of the previous drafts as the research team did not have access to the initial drafts.

The GOI team has made it very clear in its observations for certain departments that the suggestions made by them are only illustrative and not exhaustive. It also states that "there may be need for a more comprehensive revision of the draft RFD during final round of discussion". There are also other important suggestions that in general would help tone up the quality of RFDs. One such suggestion in the context of success indicators reads like this, "These should rationalized/ reduced and outcome oriented success indicators included in place of activity/ process oriented ones presently included" (Syndicate, 1 Agriculture, 20 Oct, 2011, p1). The need to include outcomes is also highlighted in the RFD guidelines.

The current review has observed in the case of present study's select departments that the success indicators included in section 2 are largely the activity/ process indicators rather than outcome indicators. Hence, it appears there is a considerable amount of gap between the RFD guidelines, the ATF suggestions and the actual RFDs developed by departments. Yet another important suggestion made by the ATF in the context of Health and Family Welfare is with reference to the measurability of the indicators. It states, "In sec 2, the definitions of success indicators should be clear and measurable. The target/criteria values should be shown adequately" (Syndicate 2, Health and Family Welfare, p1) However, there are problems related to measurability in the context of a number of indicators in the select the departmental RFDs, some examples have already been provided in section 5 where the departmental RFDs were discussed.