**Results Based Management (RBM) in Finland's Development Policy – Managing for Sustainable Development Results - Guiding Document**

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Background

Results based management (RBM) in development cooperation has been at the core of the international development policy since the Paris Declaration on Aid Effectiveness (2005), where managing for results was agreed as one key element of effective development cooperation. The latest international understanding is from 2019 when the OECD Development Assistance Committee adopted Guiding Principles for Management for Sustainable Development Results.

Finland has paid increasing importance to this topic since the 2012. After two Action Plans (2012-2014 and 2016-2018) as well as management decisions based on related strategic evaluations (2011 and 2015), a first generation of project and policy channel RBM practices were developed, a Guiding Document approved in 2015 and development policy level RBM system set up. A clear threshold was achieved in 2018. It was possible for the first time to present a comprehensive Results Report of Finland’s Development Cooperation that was based on reliable data and information on inputs and aggregated results across countries and aid modalities per priority area - as well as conclusions on the basis of their analysis.

Then, the results reform was integrated into the development cooperation management reform KETTU[[1]](#footnote-2), with a clear focus on strategic leadership at the comprehensive/corporate level.

Finland’s development policy decisions aims to be informed by results knowledge, understood as data, information and experience (so called tacit knowledge) combined. This has also been in line with the most recent relevant strategic evaluation in 2019, on knowledge management.

# Purpose

This paper is an outcome of the reform work done since the 2015 Guidance note. Its purpose is to **update the basic definitions, objectives and principles of** RBM to reflect the adopted reforms as well as the OECD/DAC Guiding Principles for Management for Sustainable Development Results. It also clarifies Finland’s approach in some challenges that have been highlighted in recent evaluations, such as to manage adaptiveness in fragile contexts.

This paper provides a common framework and basic guidance for measures to further strengthen management for results in Finland’s development cooperation.

Its purpose is also to **outline the theory of change approach,** which Finland has started using in its development cooperation. The paper also includes **a description of how Development cooperation risk management policy contributes to effective result management**.

This guidance takes effect immediately upon its publication. It is applied in the planning of all new aid interventions, development cooperation modalities and at corporate level. More specific guidance and tools are provided in various manuals and tools, including in the KETTU work space.

Ministry’s staff and partners apply this general guidance according to their capacities and by using the Ministry’s advisor services.

# PART I: Results Based Management aims for better results - Concepts

## What is Results Based Management in Development Cooperation?

The RBM concept is often used as a name for an organizational management approach, common in public sector organizations, by which is usually meant that all actors in the organization should ensure that their processes, products and services contribute to the achievement of the agreed results objectives and targets.

The Finnish government manages its administration through RBM.[[2]](#footnote-3) This is coordinated through the Ministry of Finance, which emphasizes the role of RBM to ensure a balance between available resources and achievable results while developing the quality and economic efficiency of the services provided. RBM is seen as a mechanism to ensure the political objectives of the government are implemented through set objectives and budgets and constant dialogue between the leadership and the administration staff.

In development cooperation and policy, a public policy field of the Finnish government, this is also true. Ensuring the right amount of resources are put for the policy objectives in high quality and efficient manner, is a key element in development policy management. However, **the key emphasis in Finland’s development policy RBM is on effectiveness**. As development policy aims to achieveintended changes that translate into long term positiveimpacts, RBM supports knowledge based decisions to maximize the contribution to the intended change. This entails including result and effectiveness knowledge in decision-making concerning resources, but also concerning the approaches or practices utilized and partnerships selected. In Finland, several governments have emphasized the need to further develop the result focus of Finland’s development cooperation.

Internationally, managing and focusing on results in development policy has been described as follows: *“****Managing for results means managing and implementing aid in a way that focuses on the desired results and uses information to improve decision making.”[[3]](#footnote-4)***

A key focus is that actors in development organizations know the expected contribution to the desired change and use information, evidence and knowledge for achieving results. Information, evidence and knowledge is collected through monitoring and evaluation, dialogue and analysis and it informs decision making during (and after the implementation for) the design, resourcing and delivery of programs and activities or development policy and organisation. The focus on results supports also learning of staff and the organization and is important for accountability and communication purposes.

In Finland’s development policy Results Based Management is seen as an overall concept that involves **shifting management approach away from focusing on inputs, activities and processes to focusing more on the desired results**.

Results Based Management in development cooperation is simultaneously:

* An organizational management approach, based on a set of principles;
* An approach utilizing results based tools for planning, monitoring and evaluating the performance of development projects and programs.

There are various ways to implement results based management in development policy, also various schools of thought, concepts and practices. Management for results, Management for sustainable development results, Adaptive management, Outcome Mapping or Doing Development Differently (and other) are all simultaneously used by various development actors.

*Management for results* is currently seen in the light that it reflects some of the earlier approaches of many development actors – quantitative results, aggregation and attribution for accountability or communication purposes etc.

*Management for Sustainable Results* (MfSDR) is the current overall concept, highlighting the Agenda 2030 as a collective result framework of the international community. It also emphasizes learning from results as well as directing on the basis of result information, and thus puts its emphasis on improving effectiveness rather than – or in addition to - accountability to the public. Additionally, creating a result culture and setting up only necessary mechanisms for managing for results, are emphasized. The MfSDR can be seen as a reaction to criticism on some of the (earlier) MfR/RBM approaches. It encompasses some elements of such schools of thought that are more clearly alternatives or reforms of the previous RBM approaches.

*Adapative management* is seen especially crucial in complex and fragile contexts, where an important share of development policy is implemented these days. It highlights the need to modify and direct implementation throughout an intervention in frequently alternating situations. This is done on the basis of knowledge created on results, assumptions or risks. Adaptive management approach emphasizes and accepts the uncertainties in any planning from the outset. “Theories” of change, “assumptions”, “political economic analyses”, MEL plans to capture learning along the programme are all tools that highlight and acknowledge this uncertainty.

*Outcome mapping* as a management approach highlights the limited spheres of control and influence of any development actor has to the issues that are in its sphere of interest. It understands results thus always as a contribution. It also highlights qualitative information through benchmarks (rather than quantitative indicators/measurements) and monitoring of actions of identified boundary partners.

*Doing Development Differently* aims most clearly at countering an existing/the previous RBM culture in development policy. It highlights adaptability, flexibility, trust to partners and in some interpretations brings attention back to inputs, as it is often used by international development actors who emphasise their role as supporting and financing their partners, who manage for results themselves.

**Finland does not define what school of thought or RBM approach its partners should utilize**, but it encourages and supports a result culture that supports the effectiveness of development policy. In this document, it highlights the approach it uses at the MFA of Finland.

## What is a Result?

In general, a result is something that arises as a consequence. UNDP defines **results** as ***“changes in a state or a condition that derive from a cause-and-effect relation­ship[[4]](#footnote-5).****”* It is important to note that changes can be intended and unintended as well as positive or negative. In development cooperation and policy the aim is to achieve intended “changes” that ultimately translate into long term positive impacts related to reduction of poverty or in improvements of lives of men, women and children.

Results can be direct outputs resulting from the inputs, or outcomes and impacts to which the inputs and their outputs contributed. The OECD/DAC defines **outputs, outcomes and impact as three different levels of results**.*[[5]](#footnote-6)*

The focus on results is on all three levels of results, but in reality, **the intention of RBM is to** **focus on outcome results especially** and to seek strengthening their contribution to the desired impact.



*Source:* RBM in Finland’s development cooperation – Guidelines, MFA, 2015

The challenge with this result chain approach is the linearity of the results, which in many sectors and contexts is far from the reality. To address this, more adaptive approaches have been established. They use a variety of tools. For instance, a theory of change (see below) acknowledges more clearly that other matters should occur for this linearity to take place.

In any case, the three layered understanding of results is useful. ***Outputs*** are results that are directly linked and attributable to the development actor’s actions, eg. the project. These in an Outcome Mapping approach are understood to be in the *sphere of control* of the development actor(s) concerned. The ***outcomes*** *(*defined as behaviour changes in key actors the intervention works with), however, are - in addition to the direct effects of the project - also a consequence of factors beyond the control of the development actor(s), i.e. the outputs contribute to an outcome. They are, in the *sphere of influence*. This is even more so in the case of ***impacts***. Impacts are also a consequence of many other factors than those that the development actors can directly control or even influence, although they are the intended, desired change, the ultimate objective of the development actor(s), and thus in *the sphere of interest*. Those factors that are external to a project and may have an effect on the output – outcome – impact linkages need to be taken into consideration when setting results objectives and targets. In a theory of change, they are named as *assumptions* or *risks*.



## What is the link between RBM and other approaches or guidance?

### Human rights based approach (HRBA)

Finland considers the HRBA and the RBM complementary and compatible. There is no inherent conflict between rights-based and results-based approaches when their roles and relationships are clear and potential tensions kept in mind during application.[[6]](#footnote-7)

While the HRBA is a framework that helps to define the actual result objectives, i.e. its content (the ‘what’), and the process through which the results are achieved (‘the how’), RBM is an organizational management approach and process that helps to reach desired results, improve their effectiveness and report them. The aim of HRBA is to both to strengthen and further the realization of human rights in terms of expected development results and to place the focus on how we are doing development (the process of development).

When the content of the interventions are planned a human rights assessment should be conducted either independently or as a reinforcing part of a broader context analysis. An HRBA assessment should identify root causes of development problems and systemic patterns of discrimination; help to define who owes what obligations to whom, especially with regard to the root causes identified; and to identify the interventions needed to build right-holders’ capacities and improve duty-bearers’ performance. This should guide the translation of the assessment into concrete impact, outcome and output objectives.

HRBA can thus be seen as constituting a broad framework for the Theory of Change. The top of the ToC, as identified by the UN Common Understanding on HRBA, is then the “realization of human rights as laid down in the Universal Declaration of Human Rights and other international human rights instruments”. In other words, the overall impact should focus on the needed changes in the realization of human rights or in the quality of life and should place the human being at the center of development.

The intermediate results (the outcomes) should be defined as a change in the capacity and performance of the duty-bearer and/or the rights-holders. The outputs, in turn, relate to those results, which jointly can be seen as elements of improved capacity and performance, such as various goods and services, products, systems, knowledge, motivation etc.

In setting the expected results, it is recommended to use the rights- and sector-specific quality criteria (such as accessibility, acceptability, availability, affordability and quality) elaborated by international and regional human rights mechanisms.[[7]](#footnote-8) The Human Rights mechanisms also provide recommendations on how human rights can be strengthened in a specific country: these should be utilized when setting targets for development interventions in a specific context.

Furthermore, the SDG framework may be useful when formulating objectives. The 2030 Agenda for Sustainable Development strongly reflects human rights principles and standards: it links most SDGs directly with the relevant human rights provisions and in many other cases progress in the SDGs can serve as a proxy for the related human rights[[8]](#footnote-9).

Outcomes can also be advocacy-related. This may be the case in institutional, legislative or behavioral changes related to politically sensitive or difficult areas. For instance, where a specific group may be subject to structural or systematic discrimination and exposed to certain vulnerabilities. In such cases, an attempt should be made to define realistic intermediate results such as “the increased recognition of the problem by the government”, “the inclusion of the issue on the political debate or agenda” or “the increased involvement of civil society actors on the issue”. It should also be noted that, ‘a result’ can be defined not only as a change but also as the prevention of a negative change, when it operates to prevent the deterioration of compliance with international human rights standards.

In sum, HRBA can support the creation of a good result framework for RBM and - vice versa - having a human rights based result framework support the implementation of a human rights based development policy.



(MFA of Finland. An example of how HRBA can be integrated in a results chain)

### Quality assurance

Finland has defined ten quality criteria for development cooperation. They are the basis for centralized quality assurance and decentralized quality management across the development policy management of the MFA. Assessing quality is not straightforward task. Quality criteria provides a gateway to more in-depth analysis and the best quality assurance can be achieved when criteria are pollinated. For example, effectiveness is assessed in connection with the administrative model of the project and the clarity of objectives.

The Quality Assurance (QA) Group of the MFA ensures compatibility of projects and programmes with Finland’s development policies and requirements for quality assurance. The QA Group assesses the basic solutions made when planning an intervention, ensuring that the result based targets of the intervention are appropriate (relevance), sustainable (sustainability) and that they can be reached (effectiveness). It also assesses the cost effectiveness of the intervention's activities and outcomes (efficiency). Project documents must include a framework / theory of change for results-based management that includes expected outputs, outcomes and impacts and the means for measuring progress.

All new projects and programmes must also answer a checklist of questions on how they contribute to gender equality, reducing inequality and climate sustainability. The requirements are same for all partners.

**Finland’s ten quality criteria are based on and directly interlinked with RBM and effectiveness principles.**

### The Quality Criteria of Finland’s Development Policy

1. Administrative and legal minimum criteria of the MFA of Finland
2. Broad ownership
3. Relevance
4. Coherence
5. Effectiveness
6. Efficiency
7. Impact
8. Sustainability
9. Transparency and mutual accountability
10. Economic and institutional feasibility

Their application is defined prior to decision-making and during implementation per main cooperation modality at KETTU guidance notes, the so called quality matrices.

### Risk management

Risk management is an essential part of MFA’s performance management system. It enables systematic identification, assessment, and management of factors that may threaten the achievement of Finland´s Development Policy goals. Risk management is embedded into the regular planning, management, and operational processes, guided by the MFA´s risk management policy 2020[[9]](#footnote-10). Specific instructions steer risk management in particular risk areas, including information and cyber security, personnel risks, and development cooperation.

Risk management is a mandatory function. The annual activity report on operations of a state agency must include an assessment of the appropriateness and adequacy of the internal control and the risk management.[[10]](#footnote-11) Furthermore, state agencies are recommended to apply international standards[[11]](#footnote-12) and Government’s risk management framework[[12]](#footnote-13). The Development Cooperation Risk Management Policy 2021[[13]](#footnote-14) defines the purpose, principles, responsibilities, and operating model for risk management and applies to all operations ministry is responsible. It fulfills the mandatory function of risk management and aligns with international commitments and best practices for development cooperation[[14]](#footnote-15).

The operating model for risk management applies to the entire life cycle of development cooperation. At the strategic level, the ministry will decide which risks are acceptable and how risk management is organized. Strategic directions will steer the selection of appropriate implementation channels and the choice of partners. All units will identify the most significant internal and external risks during the operational planning stage and consider mitigation measures. The risk assessment will contribute to the risk management plans, which are mandatory for all financing decisions. During the implementation stage, risk monitoring and reporting are an integral part of adaptive result management.

MFA will monitor and report risks on a regular basis, and, if necessary, revise the risk analysis and management plans. Reporting on materialized risks and near misses contribute to annual reporting and continuous learning and improvement of risk management practices for development cooperation.

### Evaluation

Evaluation is an essential part of results-based management and steering towards results. It produces one type of evidence used for management, namely independent and impartial information on the merit and worth of interventions or policies. It typically examines progress made or any results and impacts achieved, effectiveness and efficiency of interventions as well as their relevance, coherence and sustainability.[[15]](#footnote-16)

Evaluation is an essential step in the RBM cycle. Evaluations are a critical management tool for achieving better results, and a quality assurance tool during the RBM process cycle. Evaluation often take place during mid-term and/or at the end of a programme phase. Evaluations have three functions: 1) programme improvement, 2) accountability and 3) organizational learning. In addition, evaluations serve evidence-informed advocacy and policy dialogue activities.

Evaluation and result management are complementary yet distinct functions. They both support learning and management for best possible results and effectiveness. Results-based management draws on many sources of results information and evidence, evaluations being one.

Evaluation is an external, triangulated and methodologically sound impartial assessment conducted by evaluation experts. Evaluations also draw on the results-based management system of the organization including information and evidence on theories of change, result frameworks, results monitoring and reporting and management information systems.

# PART II: Guiding Principles for MfSDR

Finland’s development policy endorses the OECD/DAC Guiding Principles for Management for Sustainable Development Results (2019)[[16]](#footnote-17). They are meant to serve as a reference point to DAC members and development actors more widely while they develop result based approaches fit for the Agenda 2030. It is expected, that through applying these principles, development actors contribute better to sustainable development results and collaborative approaches. Applying the principles should lead to more harmonized results systems and thus ease the burden on partners to provide result data and information.

## Principle 1: Support sustainable development results and desired change

MfSDR approaches should maximize the impact of efforts towards achieving social, economic and environmentally sustainable development that leaves no one behind. Key elements of this principle include focus on sustainable development outcomes, seeing Agenda 2030 as whole (SDGs and LNOB and linked with the Paris Agreement on Climate Change), utilizing SDG aligned indicators as well as supporting coherent, cross-sectoral, cross-disciplinary approaches in line with the integrated nature of the SDGs.

* For Finland, this principle means understanding the systemic nature of results and ensuring interlinkages between its priority area theories of change, linking its human-right-based development policy objectives with the SDG targets, monitoring with SDG aligned indicators and disaggregating result data with gender, age and disability, to ensure LNOB.

## Principle 2: Adapt to context

MfSDR systems, methods and approaches should be flexible to allow for tailoring to different operational contexts, modalities of engagement and types of partnerships. A key element of this principle is recognition of context specificity and rapidly evolving situations. Other key elements are the balance between compliance with internal requirements and local relevance, focus on long-term outcomes with flexibility to adjust and possibly iterative methodologies in very complex situations. Flexibility does not mean vagueness, however, as the principle emphasizes documentation to monitor progress and facilitate learning.

* For Finland, this principle means a culture where context analysis is done systematically using a variety of methods, risk analysis is updated regularly and scenarios are drawn to support policy decisions. Thus, pathways of change are understood as theories based on best understanding of the context and how change could take place through Finland’s contribution, where collective analysis of factors behind effectiveness is continuous and where acceptance or even expectance of adjustment is prominent.

## Principle 3: Enhance country ownership, mutual accountability and transparency

MfSDR approaches should foster development effectiveness by strengthening and using partner countries’ systems for strategic planning, monitoring and statistics, and promoting participatory approaches to enhance ownership, mutual accountability and transparency. A key element of this principle is aligning indicators at partner country level to results frameworks of the partner, prioritizing national indicators that are aligned with the SDGs. It entails also harmonizing and sharing result frameworks, use of and support to country statistical systems, broad involvement and mutual learning to ensure broad-based participation, as well as understanding each parties’ contribution to the common outcomes and shared risks.

* For Finland, this principle means an endorsement of the approach it has already: basing cooperation and expected results on partners’ development priorities whenever possible, or partnering and engaging with different stakeholders (including governments at national and sub-national levels, civil society, private sector and academia). It is also an encouragement to seek ways to harmonise result frameworks even better among development partners, support capacity and use of country systems even more broadly as well as analyse and manage for results collectively – with local partners, stakeholders and international development actors - in settings where this is currently not the case.

## Principle 4: Maximise the use of results information for learning and decision-making

While responding to communication and accountability needs, results information should be systematically used for learning and decision-making in order to improve delivery and enhance impact. Key elements are understanding results information as both qualitative and quantitative information (data and evidence) from monitoring and evaluations and that learning and decision-making take place at every level, from project to corporate levels.

* For Finland, this principle means deliberate processes on annual basis at project, programme, priority area, aid modality and corporate level, where result knowledge is brought together, analysed, debated and learned from as well as used for decision-making to adjust and direct for better results (outcomes and impacts).

## Principle 5: Foster a culture of results and learning

A culture of results should be promoted and sustained through consistent leadership, and supported by appropriate guidance, tools and capacity building as well as proper incentives. Key elements include leadership communicating the purpose of results and using result information in management decisions, appropriate guidance, tools and resources to support the effective implementation of the results approach, capacity development of both provider’s and partners’ systems and enough space for experimentation in support of innovation, analysis and peer learning.

* For Finland, this principle means continuous efforts by the leadership and others, to strengthen and keep up a culture that supports the realization of a result focus, that supports experimentation and acknowledges complexity, risks and assumptions and emphasizes sharing of information and data among relevant stakeholders. Space and time for collective analysis of factors behind (in-)effectiveness is ensured in the annual and electoral cycles. The capacity to manage for results and to learn from good practice as much as from challenges is gradually developed in-house and with partners.

## Principle 6: Develop result systems that are manageable and reliable

While providing credible results information that can be used by all partners, results frameworks, measurement and reporting systems need to be suitable to each organization’s needs and capacities.

Key elements include a balance between simplicity and utility, ensuring a clear purpose for any data that is collected, supporting communication between partners and minimizing the reporting burden, appropriate feedback loops to ensure evidence is being used, as well as appropriate information systems. The key is to keep the result system fit-for-purpose, user friendly and lean.

* For Finland, this principle means a clear understanding that *voluntary, SDG aligned* aggregate indicators with an IT-based collecting system are for accountability purposes at corporate level and that management and learning loops at each cooperation modality and programme level are for-purpose. Finland supports the idea of Agenda 2030 as a collective result framework as well as joint/collective/cooperated result monitoring and learning at country level.

The OECD/DAC Results community has discussed challenges and good practices for each principle and works to support DAC members to implement them.[[17]](#footnote-18)

The 2015 guiding principles for RBM in Finland’s development cooperation[[18]](#footnote-19), are still valid and in many ways included in the new Guiding Principles for MfSDR above. However, the following principle is not, although it is very important, and therefore is highlighted additionally here:

### + Set clear results targets at all levels

It is important to set out specific results targets for organizational priorities, country programs and interventions. A target means often a numeric expected result at various times during the implementation of the intervention, but it can also be a benchmark of a more qualitative nature, that supports monitoring of and management towards the total expected results. A project, or another aid intervention, needs to include results strategies and frameworks outlining the intervention logic, including its assumptions and risks.

# PART III: Results Based Management in Practice – Tools

## A Theory of Change (TOC)

TOC is a *theory* in the sense that it represents the **best available hypothesis on how change happens, and how we assume we contribute to these changes**. We recognize that these ideas need to be regularly tested and refined so that we can increasingly develop a more plausible and realistic theory.

TOC is a *conceptual model* that **articulates the linkages between policy/strategy goals, impacts and outcomes - and other results - that support the expected change**. It emphasizes the **underlying assumptions** that we consider as necessary pre-conditions for change. A TOC is useful tool for development policy and cooperation as it recognizes that change is complex, systemic and non-linear.

It **shifts the emphasis** from heavy planning and compliance in implementation, **to constant monitoring and revisiting of the chosen pathway**, and as such is in line with adaptive management and learning approach of results based management. (see below) A TOC is typically presented as **a graphic supported by a narrative** detailing the contextual conditions and underlying assumptions about how the change is supposed to take place.

Importantly, TOC is a flexible, iterative **process and a tool** for

(1) critical reflection as part of **strategic planning**,

(2) **communicating** the intended contribution,

(3) reflecting results, assumptions and risks vis-à-vis the theory and therefore the adopted strategy, as part of **monitoring, evaluation and learning** (MEL) plan, and

(4) reflecting the underlying causal assumptions, the strategy and the theory as part of **learning**.

*Note:* The TOC can be similar to the Logical Framework or Result Chain (see above) in terms of describing the logical steps for achieving our intended results, i.e. from inputs and outputs to outcomes and impacts. However, a **TOC pays more attention to causalities and assumptions** within the results chains, and it allows for systemic and non-linear relationships as it is not necessarily fixed to the three layers of results.

An analysis of causal assumptions and the TOC should help **reflect the extent to which the development results are realistic**. They should also help to choose actions that are considered best to deliver results.

A theory of change process guides teams in thinking through the underlying causes and factors of development challenges and how they influence each other. A **Political Economy Analysis** (PEA), context analyses or specific **Human Rights or conflict/fragility analyses** provide support to the TOC process. **System analyses or scenarios** may support the development of a TOC.

The process of making theories of change and related assumptions reveals gaps in evidence and knowledge. These needs have to do with the better understanding of the context, validation of the assumptions and understanding and mitigation of related risks. **A Monitoring, Evaluation and Learning Plan** (MEL plan) supports the management of the knowledge needs required to understand relevant issues throughout the implementation and result management. An MEL plan is a tool for the team to think strategically and plan what kind of evidence and M&E activities is needed.

## Assumptions

Assumptions define our understanding on the relation between the changes that we expect to see as a result. Assumptions include conditions in the context that need to be in place for the change to happen. In other words: *What works? For whom? Under what conditions?*

Assumptions at different levels of the TOC are different in their nature. Assumptions between outcomes and impact often relate to direct benefits or improved wellbeing, assumptions between outputs and outcomes often relate to changes at the institutional level (changes in enabling environment and in capacity and behaviour of organizations).

Many of the causality and implementation-related assumptions depend on **our understanding** of the capabilities, motivation and opportunities affecting the behavior of our counterparts and partners, which might be ill-informed. Therefore, it is advisable that **consultations and discussions with counterpart organizations**, local and international stakeholders or at the least with main implementing partners take place. Additionally, system analysis or scenario setting may be useful tools to identify the relevant assumptions.

Reviewing the validity of the assumptions throughout the implementation is an important element in results based management, that is based on a TOC.

### Different types of assumptions

* **Causality assumptions.** Key assumptions concerning the linkages between events and conditions necessary for the causal link to work.
	+ *If X changes, will Z really happen? Under which conditions?*
	+ *Are our assumptions about causality valid for all stakeholders? What about women, persons with disabilities or other disadvantaged groups?*
	+ *What evidence do we have that supports our assumptions about causality and the effectiveness of strategies (or do we need more evidence in form of analyses, studies)?*
* **Implementation-related assumptions.**Assumptions concerning implementation including needed financial and human resources and partnerships.
	+ *Does this fully explain what is thought to happen? What factors might hinder achieving the planned changes? What conditions must be realized before the result is achieved*?
	+ *Under what conditions does capacity building lead to changed behavior of a stakeholder (certain assumptions regarding motivation and opportunities)?*
	+ *What is the capacity of Finland’s implementation partners and other stakeholders to enable outputs and the causal linkages at different levels?*
* **Assumptions concerning external influences and factors.** Assumptions about the events and conditions unrelated to the interventions that could facilitate or hinder the expected change.
	+ *What are we taking for granted? What would challenge our assumptions?*
	+ *What are the complementary inputs from governments, other development partner actors, beneficiaries?*
* In addition, assumptions should include interlinkages, causal relations or mutually reinforcing effects between different parts of the theory. E.g. if one part/pathway is related to changing laws, and the other related to building the capacity of law enforcement agencies, there is likely a host of issues connecting the two pathways, related to e.g. the effectiveness of capacity building interventions.
* For some assumptions, it may be unlikely that they happen, and these will be classified as **at-risk assumptions.** The identified at-risk assumptions will be further analyzed as **part of risk analysis, and related mitigation measures** will be factored in the risk management tools.

## Indicators

**Indicators are the mechanism with which progress towards the desired change can be monitored.** They give an “indication” whether this is the case. Indicators are thus not equal to measurement tools.

Indicators can be **quantitative or qualitative**. A quantitative indicator is represented by a number, measures of quantity, percentage or a ratio. In contrast, a qualitative indicator measures quality and is often based on perception and opinion.

Examples of quantitative indicators: employment and education levels

Examples of qualitative indicators: level of satisfaction with a school

perception of level of corruption

It is also common to use **proxy or process indicators**. Proxy indicators are used when results cannot be measured directly, for example when trying to monitor the level of governance in a particular country. Process indicators measure the performance of processes, such as the number of joint missions and joint evaluations, which are connected to the objective of increased harmonization. In many corporate result frameworks, **key perfomance indicators (KPIs)** are set, to support management of the organisation as a whole. For example, share of gender equality supportive programmes approved.

**A baseline** is the level of the indicator at the beginning of the project or program and the **target** is the level of the indicator that one hopes to achieve at the end of the project or program. Targets are also often set for each year to support monitoring of the progress towards the end target.

In Finland, projects and programmes define indicators that best suit the monitoring of the expected results of the programme with the best available data and monitoring systems, for the management for the expected outcome and impact results. The result framework and the capacity to manage on the basis of results are reviewed as part of the quality assurance of each programme.

**Aggregation** of result data is used when wanting to demonstrate the contribution to the achievement of a certain expected result across several programmes, and is facilitated with the use of same indicators. Counting results together provides a bigger picture of results in one development goal/objective and is thus useful for accountability and communication.

Finland has created Finland's aggregate indicator lists, based on its priority area theories of change. The list is aligned with the SDG indicators and the EU results framework as much as possible. It is expected that projects and programmes supported by Finland consider utilising these indicators, if suitable. However, their use by Finland's partners is not mandatory. Finland aggregates results at the corporate level on the basis of these indicators for accountability and communication purposes - based on those programmes that have utilised them.

**Disaggregation** of results is an important element in a RBM of a human rights based development policy. Differentiating the result data by different groupings allows for more detailed analysis of the progress, in addition to the total result. Disaggregation is considered a useful way to ensure monitoring of the LNOB principle in practice. In Finland's aggregate indicator lists, all person level indicators include disaggregation **by sex, age and disability**. This allows for monitoring of Finland's cross-cutting objectives of gender equality and non-discrimination. Often disaggregating by rural/urban or by ethnicity may be useful to highlight the differences in progress towards the expected result.

It is expected that partners consider carefully, when setting indicators, what disaggregation would be the most relevant and how results divided to at least these three categories could be monitored. It is important, that in result frameworks, each indicator definition and monitoring plan include the expected disaggregation. It is important to implement this in a manner that does not do harm.

For an actor basing its approach on LNOB or HRBA, like Finland, it is also important to consider if the best indicator is **targeted** to the group left behind (for instance *proportion of women undergone genital mutilation*), **general, with disaggregation** (eg. *number of jobs created, disaggregated by sex*) or whether it specifically **compares** the situation compared to the whole population (eg. *Growth rate of income per capita among the bottom 40% of the population and the total population*).

Finland prefers indicators that are **SMART and human rights based**. This means that whenever useful, indicators should be specific, measurable, attainable, relevant and time-bound, while they do not necessarily need to be easily delivered in a short time frame, or easily quantifiable. RBM or indicators should not lead to shying away from such key transformational changes that human rights based development cooperation should be aiming for or would likely prioritise. [[19]](#footnote-20)

The aim is not to identify an extensive list of indicators. Rather, the primary interest is in identifying a few relevant features that could relate to an improvement in the realization and the enjoyment of the human rights, which the intervention aims to address. Alternatively, it may be in assessing the efforts being made by the duty bearer in meeting its human rights obligations.[[20]](#footnote-21)

In any case, **the use of indicators should be planned**, so that it is clear what the baseline is, what is the source of the data/information, who collects it and with what intervals. This is an important element in setting indicators as well as planning for the result based management of the programme.

### The conceptual framework for human rights indicators developed by OHCHR

**Structural indicators** monitor a State’s commitment to implementing the human rights standards it has accepted. They reflect the ratification or adoption of legal instruments, the nature of the domestic law or the existence or creation of basic institutional mechanisms deemed necessary for the promotion and protection of the human right. Structural indicators also need to look at the State’s policy framework and strategies as applicable to that right.

**Examples:**

* International human rights treaties relevant to the right to adequate housing, ratified by the State;
* Time frame and coverage of national policy on vocational and technical education
* Date of entry into force of formal procedure governing the inspection of police cells, detention centres and prisons by independent inspection entities.

**Process indicators** assess a State’s efforts, through implementation of policy measures and programmes of action, to transform its human rights commitments into the desired results. Policy measures refer to public programmes, budget allocations and specific regulatory or redress interventions that a State is willing to take to give effect to its intent or commitments to attain outcomes associated with the realization of a given human right. At the same time, process indicators help in directly monitoring the progressive fulfilment of a right or the process of protecting a right.

**Examples:**

* Indicators based on budget allocations;
* Coverage of targeted population groups under public programmes;
* Human rights complaints received and the proportion redressed;
* Incentive measures extended by the duty bearer to address specific human rights issues;
* Indicators reflecting functioning of specific institutions (e.g., NHRI, legal system).

**An outcome indicator** consolidates over time the impact of various underlying processes (that can be captured by one or more process indicators). An outcome indicator is often a slow moving indicator, less sensitive to capturing momentary changes than a process indicator. A process indicator for one human right can also be an outcome indicator in the context of another.

**Examples:**

* Life expectancy or mortality rate;
* Accessibility to adequate nutrition;
* Reduction in physical violence and crime;
* Reported cases of torture or cruel, inhuman or degrading treatment.

**Finland supports SDG alignment in indicator selection**, while recognising the challenges in with SDG indicators at development cooperation project and programme level. It also considers **harmonisation of indicators** among development partners useful, to facilitate data collection by the local partners.

The selection of indicators should be considered also as a part of supporting country system strengthening and inclusive ownership. Result information should be based on national or local data systems, if possible and relevant. **Not all relevant result information is data**, however, **nor collected from public sources** - and thus result coordination and dialogue with various stakeholders and various development partners state or non-state can be an important manner to monitor progress.

## A Results Framework

**A results framework brings together, often in a matrix form, the causal result logic and the monitoring system of the achievement of the expected results**. The form and methodology with which the expected results are defined or presented in a matrix may vary, but the result framework (most often) includes

* Expected results at various levels (often output-outcome-impact)
* Indicators (qualitative or quantitative) for each expected result, often with indication on how the result data should be disaggregated
* A baseline for each expected result
* Targets for certain time sequences (often annual)

A results framework is **a planning and management tool**. Finland uses results frameworks at country programme and project levels. They are often practical matrices, tools that allow filling in data during the implementation, allowing for managers and overview of the progress achieved.

*A result framework in Finland’s country programming.*

Result frameworks are often also set for organisations at corporate level. Corporate Result Frameworks (CRF) or Scorecards are used by many multilateral partners of Finland, including the EU. CRFs are a management tool for corporate management level. They are often structured to include indicators for a

Tier 1 – Impact level results or change that takes place at global or developing country level;

Tier 2 – Outcome and output level results or change that are clearly contributed by/attributable to the actor concerned; and

Tier 3 (and sometimes 4) – Performance of the organization.

**Finland does not have a corporate result framework for its development policy.** **However, a matrix for strategic, knowledge based leadership has been adopted.** This includes information on results and organizational performance, with agreed sources of verification and some targets (for performance). The matrix is used for the annual strategic resource and action leadership process, which is described as part of the strategic leadership tools for development policy at KETTU as well as in the MFA annual planning (TTS) manual.

While desired results and Finland’s Theory of Change are set at corporate (and priority area) level to clarify its expected contribution to the Agenda 2030, aggregate indicators exist only for demonstrating a collection of aggregable results to the parliament and the public every four years. Finland does not create baselines nor set targets (eg. how many people is expected to receive services with Finland's overall support) at corporate level.

# PART IV: Good Results Based Management - Practices

## Annual management guidance

For Finland it is important that programmes and partners agree on a mechanism and create space for analyzing the acquired result data, reflect the effectiveness vis-à-vis the baseline and targets, assess the information vis-à-vis assumptions and risks, and agree on changes that are considered necessary for a achieving the expected outcomes and impacts.

A results framework is **an important tool for monitoring, management and independent evaluation**. The results in a results framework should be formulated in such a manner that it will be possible to monitor and verify whether the results have been achieved or not. This will require the setting of targets and agreeing on indicators, baselines and sources of verification for all results levels.

A project should therefore include a monitoring system that produces information on progress towards results targets and on the final results. Evaluations provide periodically independent information on the achievement of results. The monitoring system i.e. ways in which results and other information will be collected as well as the evaluation(s) that are planned to take place should be described in the MEL plan for the intervention.

Management on the basis of the information should take place regularly, consider and analyse the data, other information, tacit knowledge of staff and partners and review the TOC, risk management tools and need for further information.

**For Finland’s country programmes, multilateral cooperation, CSO or private sector support and other instruments, such analyses are expected on an annual basis.** There are processes to discuss the findings and decide on changes identified and to document the learning. They support the understanding on effectiveness – whether and how the result objectives at outcome level have been or can be achieved.

At comprehensive development policy level, the **synthesis analyses are based on pools of reports and management responses** of a particular cooperation modality/policy channel, to synthesize the main trends in findings on effectiveness and identified needs to develop or adjust work in the future. Analyses are also extended to thematic priority areas of Finland’s development policy. The management guidance at corporate level on development policy is also discussed at the management level on an annual basis - and recorded and integrated to the planning and decision-making of the MFA as a whole.[[21]](#footnote-22)

## Explicit effort on adaptive management to address complexity, uncertainty and fragility

Result based management is founded on the notion of managing during implementation towards the expected outcome and/or impact level results. Finland emphasises the direction and learning function of its RBM in development cooperation, that is based on information and data concerning the context, results, factors behind effectiveness and other evidence and knowledge. **Adapting is thus always a part and parcel of RBM.**

*Adaptive management* as a concept highlights the explicit need for this in situations of complexity uncertainty and/or fragility. Acknowledgement of the fact that it is uncertain how the expected outcomes and impact is best reached in these particular situations, is key. An explicit adaptive management approach emphasizes testing, innovating or experimenting as well as learning along the way. Accountability is placed on contributions to the outcome and/or impact, as well as on learning.

The adaptive nature of RBM is linked to the risk appetite of the development policy actor: when taking a risk of engagement is considered a smaller risk than not engaging, accepting the uncertainty of reaching the expected impact is also embedded in this decision.

**For Finland, an explicitly adaptive RBM approach is useful in highly complex programmes and/or uncertain or fragile contexts.**

Adaptive management requires **tools or practices** for understanding the complex and volatile/fragile local context, its political economy, the results of the work so far, risks and the factors behind effectiveness. Tools often include scenario, system or political economy/fragility/human right analyses.

It also requires explicit **time, capacity and resources** to analyze - together with partners and relevant stakeholders - what this should mean for the work ahead, tools to document both the adapted elements and the learning based on this collective knowledge, as well as **authority** to make directional management decisions. The focus of is to improve the probabilities of reaching the expected outcomes – until the next management round, which is often done **more frequently** than in “regular” cases.

Adaptive management should be transparent and accountable for the results, the adjustments made and the reasons/learning behind them. It should be documented. This supports also the evaluability of the outcomes and impacts. And thus learning for future programmes in similar contexts.

1. Kehitysyhteistyön toimintatapauudistus [↑](#footnote-ref-2)
2. https://vm.fi/ohjausjarjestelmat [↑](#footnote-ref-3)
3. The Paris Declaration on Aid Effectiveness, 2015 [↑](#footnote-ref-4)
4. United Nations Development Group RBM Handbook, 2011. [↑](#footnote-ref-5)
5. Glossary of Key terms in Evaluation and Results Based Management”. OECD/DAC, 2010. Note, this is under revision. [↑](#footnote-ref-6)
6. See for instance, Theresa Albero ’A Human Rights-and Results-Based Management Approach to United Nations Development Cooperation at the Country Level’ (2015), OHCHR. [↑](#footnote-ref-7)
7. It has to be noted, however, that this kind of quality criteria is in most cases are only applicable in relation to ESC rights and has to be interpreted specifically for each human right (for instance the definition of “adequacy” for the right to adequate food or the right to adequate housing has to be based on more detailed standards elaborated by the Human Rights mechanisms). [↑](#footnote-ref-8)
8. <https://www.humanrights.dk/tools/sdg-human-rights-data-explorer> [↑](#footnote-ref-9)
9. Ulkoministeriön riskienhallintapolitiikka 09.10.2020 [↑](#footnote-ref-10)
10. State Budget Decree 1243/1992 [↑](#footnote-ref-11)
11. ISO31000 [↑](#footnote-ref-12)
12. [https://vm.fi/documents/10623/21717469/suositus+valtionhallinnon+riskienhallintapolitiikkamallista.pdf/9a4ca10d-74db-f747-63ec-4668556b2aef/suositus+valtionhallinnon+riskienhallintapolitiikkamallista.pdf?t=1585910689000](https://vm.fi/documents/10623/21717469/suositus%2Bvaltionhallinnon%2Briskienhallintapolitiikkamallista.pdf/9a4ca10d-74db-f747-63ec-4668556b2aef/suositus%2Bvaltionhallinnon%2Briskienhallintapolitiikkamallista.pdf?t=1585910689000) [↑](#footnote-ref-13)
13. Kehitysyhteistyön riskienhallintapolitiikka 8.6.2021 [↑](#footnote-ref-14)
14. OECD etc. [↑](#footnote-ref-15)
15. For the OECD DAC evaluation criteria and their application see: <https://www.oecd.org/publications/applying-evaluation-criteria-thoughtfully-543e84ed-en.htm> [↑](#footnote-ref-16)
16. <https://www.oecd.org/publications/managing-for-sustainable-development-results-44a288bc-en.htm> [↑](#footnote-ref-17)
17. See OECD/DAC on good practice documents: <https://www.oecd.org/development-cooperation-learning> [↑](#footnote-ref-18)
18. Base results targets on national priorities and ownership, Collect reliable result information, Use result information for learning and managing, as well as accountability, Promote and support a mature result oriented culture [↑](#footnote-ref-19)
19. P.22 <https://hr.un.org/sites/hr.un.org/files/Human%20Rights%20%26%20Result-Based%20Management%20Approach%20to%20UN%20Development%20at%20the%20Country%20Level_0.pdf> [↑](#footnote-ref-20)
20. The demand for specific indicators is reflected in the human rights normative framework. Some quantitative indicators are explicitly mentioned in the human rights treaties, and their type and role are further specified in general comments and recommendations adopted by the treaty bodies. For instance, article 10 of the Convention on the Elimination of All Forms of Discrimination against Women, on the right to education, requires for the reduction of “female student dropout rates”. In the International Covenant on Economic, Social and Cultural Rights, article 12 states that to achieve the full realization of the right of everyone to the enjoyment of the highest attainable standard of physical and mental health, the steps to be taken by the States parties shall include those necessary for the provision for the reduction of the stillbirth rate and of infant mortality. [↑](#footnote-ref-21)
21. See KETTU guidance on strategic management [↑](#footnote-ref-22)