

### **PFM Reforms:** The lessons learnt -promises and tears

Session2- Performance Management & Budgeting Reforms Dr. Prajapati Trivedi 25 November



## Performance Monitoring & Evaluation System

Dr. Prajapati Trivedi

Former Secretary to Government of India Performance Management Division Cabinet Secretariat

## **Results-Framework Document** An Instrument for Improving Government Performance

Dr. Prajapati Trivedi Former Secretary to Government of India Performance Management Division Cabinet Secretariat

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# **Presentation Outline**

- 1. What do we do?
- 2. What is new about it?
- 3. Why do we do it this way?
- 4. Impact of what we do?
- 5. SWOT Analysis
- 6. Way Forward Proposed Action Plan

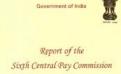
## **Origins of PMD**



## 10<sup>th</sup> Report of Second Administrative Reforms Commission

"Performance agreement is the most common accountability mechanism in most countries that have reformed their public administration systems."

### 2008



### 6<sup>th</sup> Central Pay Commission

*"Introduce Performance Related Incentive Scheme (PRIS)* 

## **Origins and Coverage of RFD Policy**

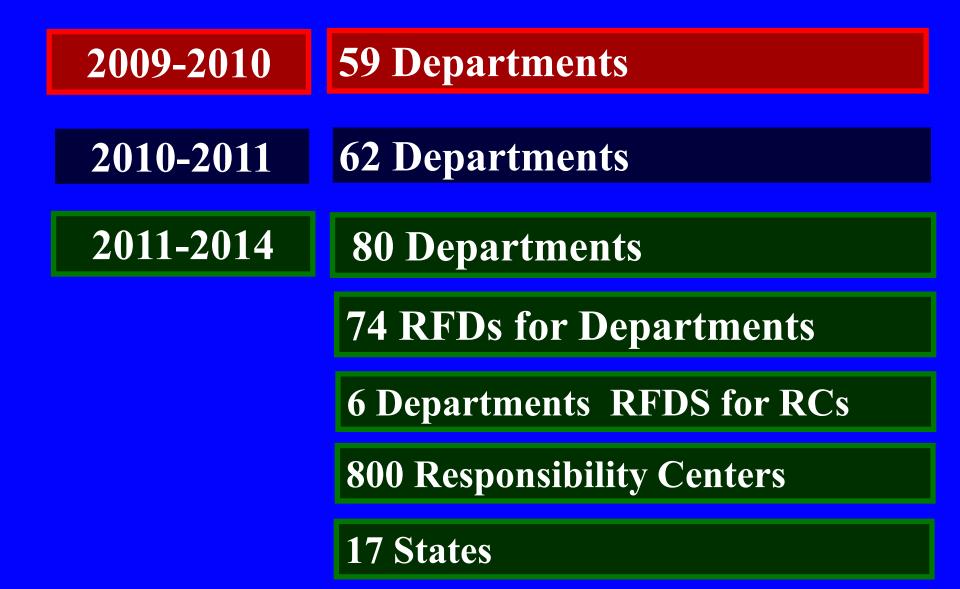
June 2009 President announced that the Government will within 100 days:

Establish mechanisms for performance monitoring and performance evaluation in government on a regular basis

### September 2009

Prime Minister issued an order to implement "Performance Monitoring and Evaluation System (PMES)"

### **Current Coverage of RFD Policy**



## Implementation at State-Level

### **Already Begun Implementation**

- 1. Maharashtra
- 2. Punjab
- 3. Karnataka
- 4. Kerala
- 5. Himachal Pradesh
- 6. Assam
- 7. Haryana
- 8. Chhattisgarh

9. Tripura 10.Rajasthan **11.Andhra Pradesh** 12.Mizoram 13.Jammu & Kashmir 14.Meghalaya 15.Odisha 16.UP (request) 17. Puducherry (request)

# **Current Coverage of RFD Policy** SCOPE OF RFD 2010-2014 **Citizens' / Clients' Charter Grievance Redress Mechanism ISO 9001 in Government Corruption Mitigation Strategies Innovation in Government Implementing RTI in Government Compliance with CAG Audit**



**Results-Framework Document** An Instrument for Improving Government Performance

- 1. What is RFD?
- 2. How does RFD work? (The Process)
- 3. Origins of RFD Policy

4. What has been the progress in implementation?

## 1. What is RFD? (The Content of RFD)

### seeks to address three basic questions:

1. What are department's main objectives for the year?

2. What actions are proposed to achieve these objectives?

3. How to determine progress made in implementing these actions?

### **Format of Result-Framework Document (RFD)**

Section 1	Ministry's Vision, Mission, Objectives and Functions.
Section 2	<i>Inter se</i> priorities among key objectives, success indicators and targets.
Section 3	Trend values of the success indicators.
Section 4	Description and definition of success indicators and proposed measurement methodology.
Section 5	Specific performance requirements from other departments that are critical for delivering agreed results.
Section 6	Outcome / Impact of activities of department/ ministry

### Section 2 of Results-Framework Document

Criteria / Success Indicators			Target / Criteria Values					
		Weight	Excellent	Very Good	Good	Fair	Poor	
			100%	90%	80%	70%	60%	
1	% Increase in number of primary health care centers	.50	30	25	20	10	5	
2	% Increase in number of people with access to a primary health center within 20 KMs	.30	20	18	16	14	12	
3	Number of hospitals with ISO 9000 certification by December 31, 2009	.20	500	450	400	300	250	



### **Section 3: Trend Value of Success Indicators**

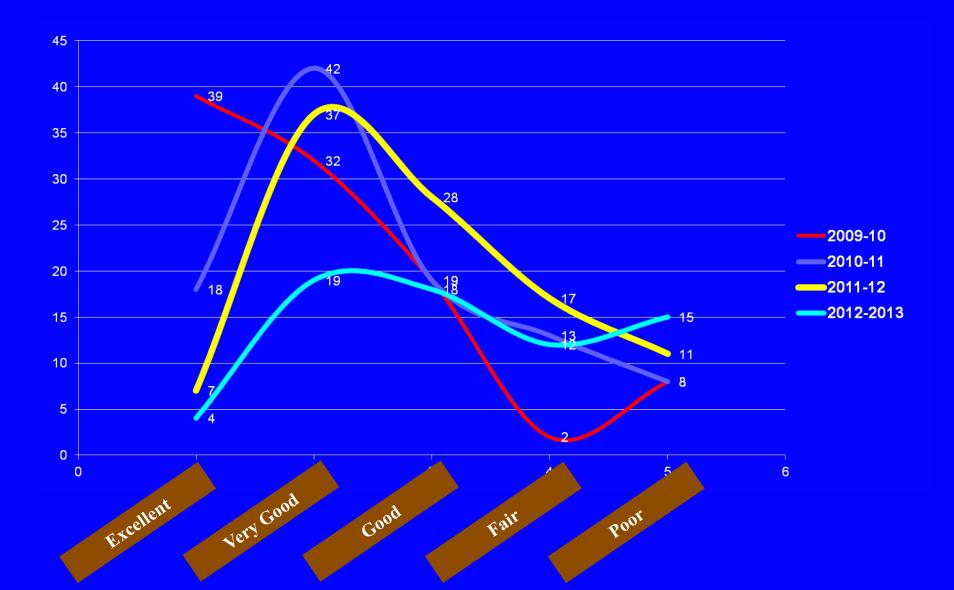


Objective	Actions	Success Indicator	Unit	Actual Value for FY 12/13	Actual Value for FY 13/14	Target Value for FY 14/15	Projected Value for FY 15/16	Projected Value for FY 16/17
	Action 1	No. of Schools	No.	500	650	800	1000	1400
Objective 1	Action 2							
	Action 3							
Objective 2	Action 1							
	Action 2							
	Action 3							
Objective 3	Action 1							
	Action 2							$\mathbf{i}$

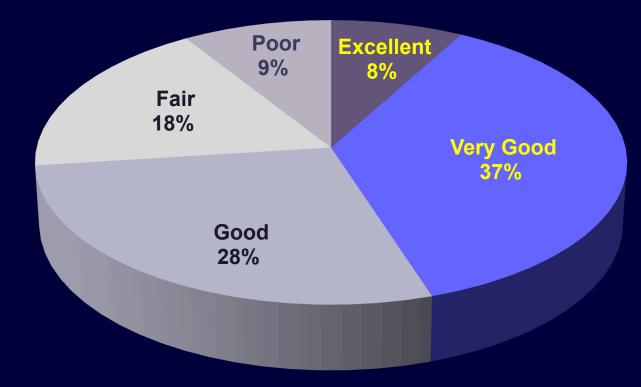
# Calculation of Composite Score

	Step 1	Step 2	2		Ste	р3		S	tep 4	
			Tar	get / (	Criter	ia Val	ues			
	Criteria / Success Indicators		Excellent	Very Good	Good	Fair	Poor	Achievement	Raw Score	Weighted Raw Score
			100%	90%	80%	70%	60%			
1	% Increase in number of primary health care centers	.50	30	25	20	10	5	15	75%	37.5%
2	% Increase in number of people with access to a primary health center within 20 KMs	.30	20	18	16	14	12	18	90%	27%
3	Number of hospitals with ISO 9000 certification by December 31, 2009	.20	500	450	400	300	250	600	100%	20%
Composite Score									84.5%	

### **RFD Results for Four Years**



# **Results for 2011-2012**



- Excellent(100%-96%)
- Very Good (86% to 95%)
- Good (76% to 85%)
- Fair (66% to 75%)

Poor (65% and Below)



#### GOVERNMENT OF KERALA

#### Abstract

Planning & Economic Affairs (CPMU) Department – Performance Monitoring and Evaluation System - Results Frameworks Document Evaluation Report (2012-13) of 35 Administrative Departments - Approved – Orders issued.

#### Planning & Economic Affairs (CPMU) Department

#### GO (MS) No.42/2013/Pig. Dated, Thiruvananthapuram : 07.08.2013.

Read: GO(MS) No.24/13/Plg dtd 27.03.2013.

#### ORDER

Results Framework Documents is a part of the Performance Monitoring and Evaluation System (PMES) to monitor and evaluate the performance of the Government Departments. RFD includes the agreed objectives, policies, programmes and projects along with the success indicators and targets to measure the performance in implementing them. The document is to be prepared by each department at the beginning of every financial year.

Vide paper read above, Govt. have approved the RFD 2012-13 of 35 Administrative Departments. As per the guidelines of Results Framework Documents, the concerned Administrative Departments have carried out the evaluation of the achievement of targets mentioned in their Results Framework Documents for the year 2012-13 and submitted the evaluation report online to the Planning and Economic Affairs Department.

The department wise composite scores are as follows.

Sl. No.	Name of Department	Composite Score		
1	Agriculture	69.83		
2	Animal Husbandry	70.98		
3	Co-operation	78.14		
4	Cultural Affairs	86.5		
5	Environment	30.94		
6	Excise	85.28		
7	Finance	78.09		
8	Fisheries	75.44		
9	Food, Civil Supplies & Consumer Affairs	53.39		
10	Forest	68.83		
11	General Administration	68.27		
12	General Education	59.91		
13	Health & Family Welfare	87.05		
14	Higher Education	68.88		
15	Housing	42.27		
16	Industries & Commerce	71.55		
17	Information & Public Relations	65.77		
18	Information Technology	71.35		
19	Labour & Rehabilitation	51.23		

20	LSGD	61.08
21	NORKA	62.54
22	P&ARD	51.17
23	Planning & Economic Affairs	76.35
24	Ports	40.54
25	Power	63.03
26	PWD '	73.76
27	Registration	76.37
28	Revenue	51.6
29	SC/ST Development Department	66.2
33	Social Welfare	30.5
31	Sports & Youth Affairs	52.33
32	Taxes	76.75
33	Tourism	67.09
34	Transport	23.75
35	Water Resources	55.52

Government, after examining in detail the Evaluation Report of Results Framework Documents 2012-13 of each Administrative Department are pleased to approve the scores as mentioned above.

Government have approved in principle to use the concept of Results Framework Documents to improve the performance of departments and not to grade them. Further it is not indicative of the level of performance.

(By Order of the Governor)

Rachna Shah, Secretary (Planning)

To

All Additional Chief Secretaries, Principal Secretaries and Secretaries Dr.Prajapati Trivedi, Secretary, PMD, Cabinet Secretariat, Government of India (with C/L) Performance Management Division, Cabinet Secretariat, Govt. of India. All Heads of Departments All District Collectors Private Secretary to Hon'ble Chief Minister Private Secretary to all Ministers

Copy to

Additional Secretary to Chief Secretary PA to Principal Secretary to Govt. (Planning) CA to Additional Secretary & Director, (CPMU) Stock file / OC.

Forwarded/ By Order

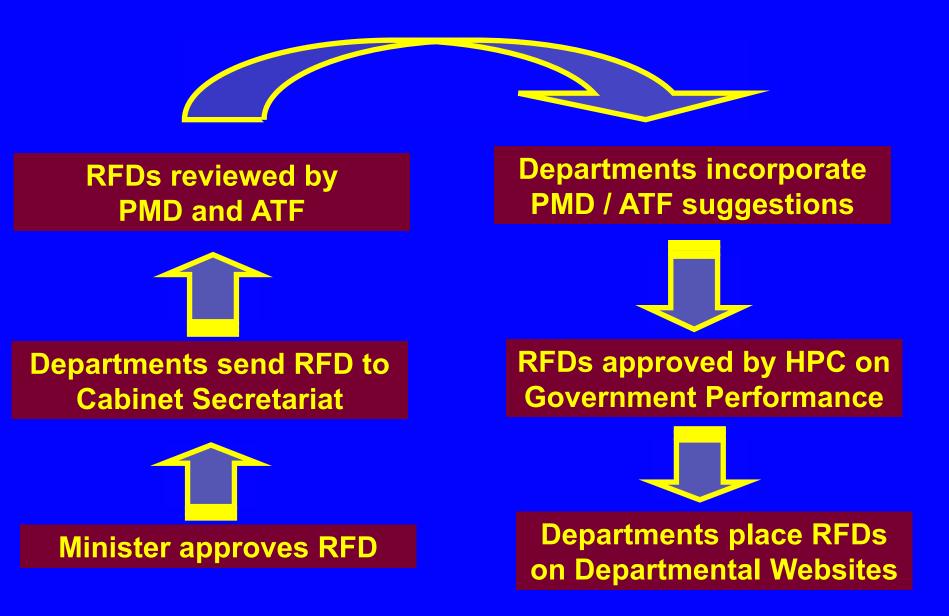
Biumon

Section Officer

## How does RFD work? (The Process)



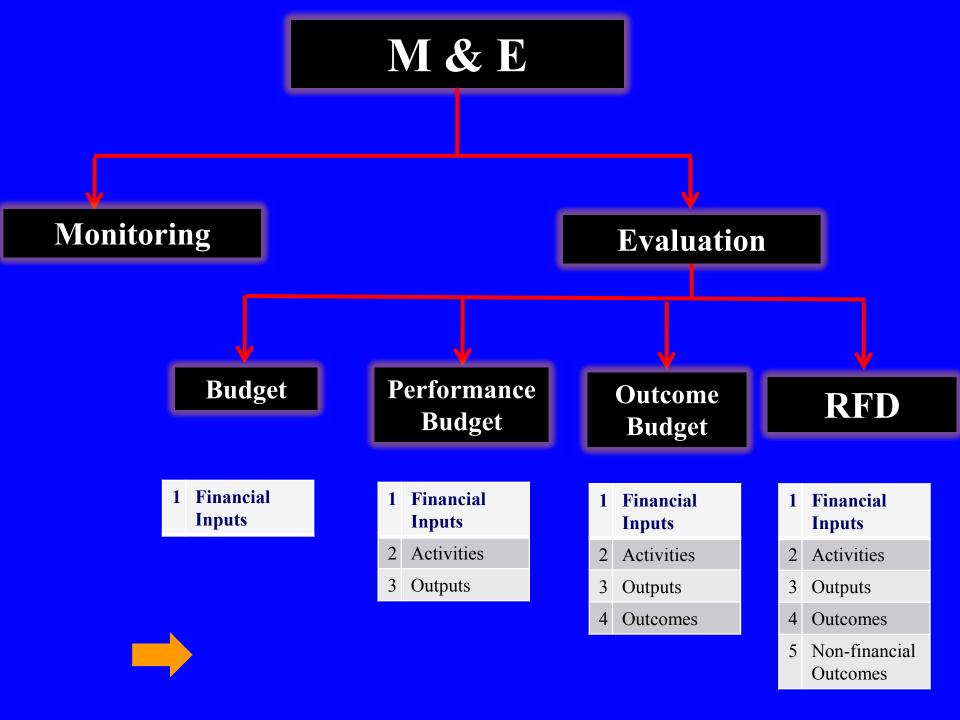
### How does RFD work? (The Process)



# **Presentation Outline** What do we do? What is new about it? 2. 3. Why do we do it this way?

- 4. Impact of what we do
- 5. SWOT Analysis

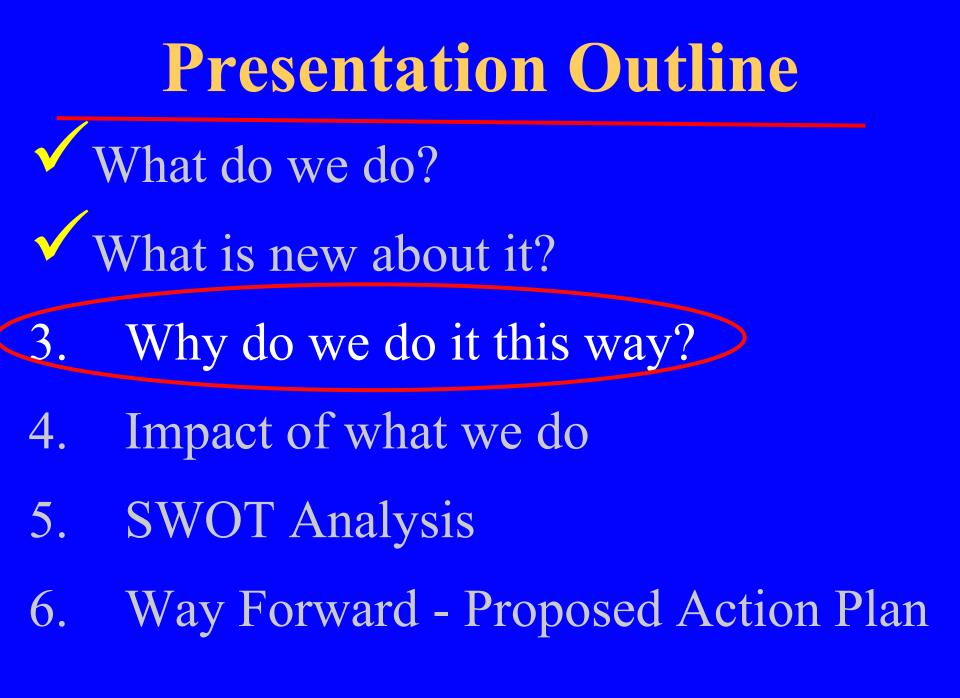
6. Way Forward - Proposed Action Plan





### Meta Evaluation: Evaluating Evaluation Systems

	Success Indicator	Budget	Performance Budget	Outcome Budget	RFD
2	Are the objectives prioritized?	No	No	No	Yes
3	Are the success indicators prioritized?	No	No	No	Yes
4	Are the deviations agreed ex-ante?	No	No	No	Yes

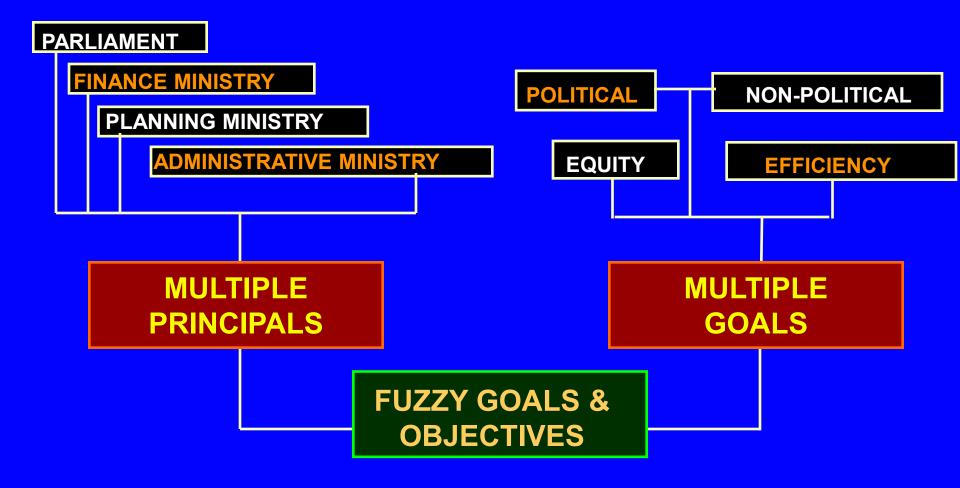


# 3. Why do we do it this way?

3.1 Diagnosis

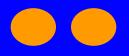
3.2 Prescription3.3 Overall Approach

### **Problems of Government Agencies - I**



### **Problem of Government Agencies -II**

# "NOT ME" Syndrome People Public Enterprise Government



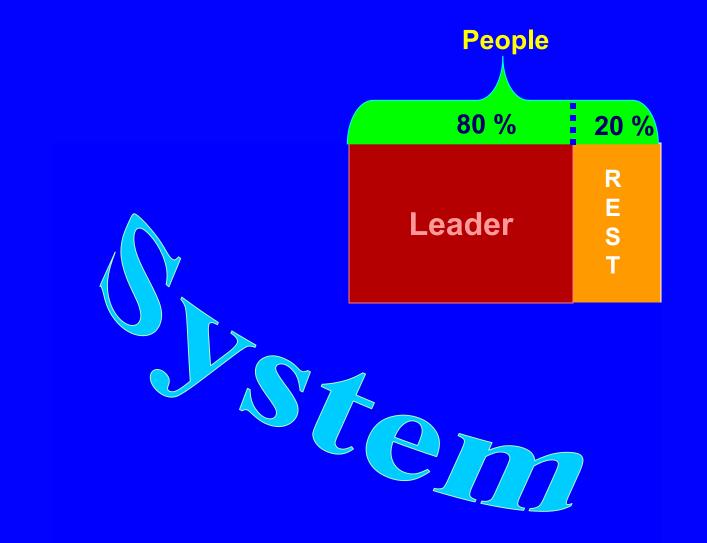
# 3. Why do we do it this way?

3.1 Diagnosis

3.2 Prescription 3.3 Overall Approach

### **Determinants of Performance**

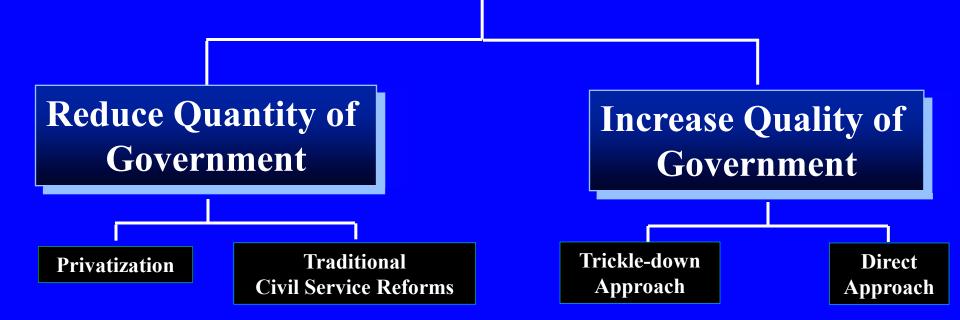




### **Determinants of Performance**

### What can be done to solve the problem?

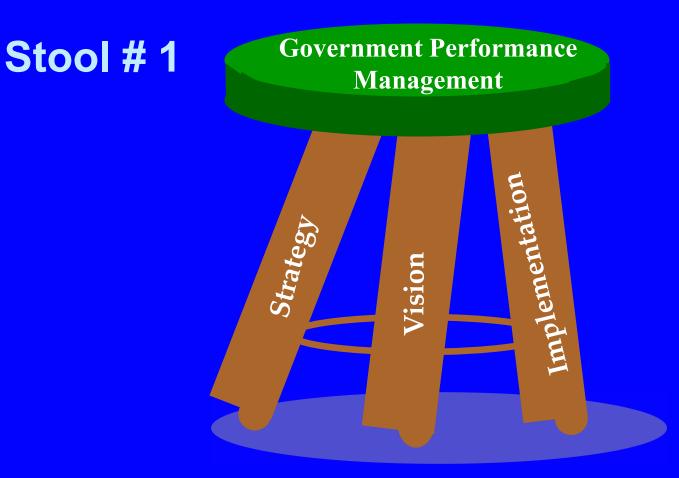
### Government Agencies have <u>not</u> delivered what was expected from them



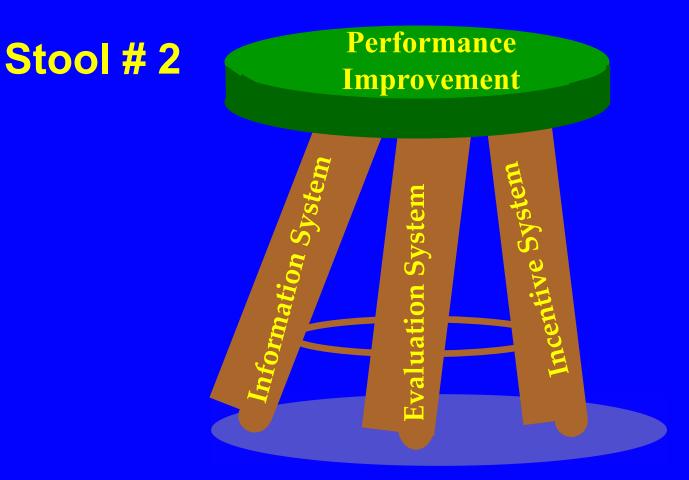
3. Why do we do it this way?

3.1 Diagnosis3.2 Prescription3.3 Overall Approach

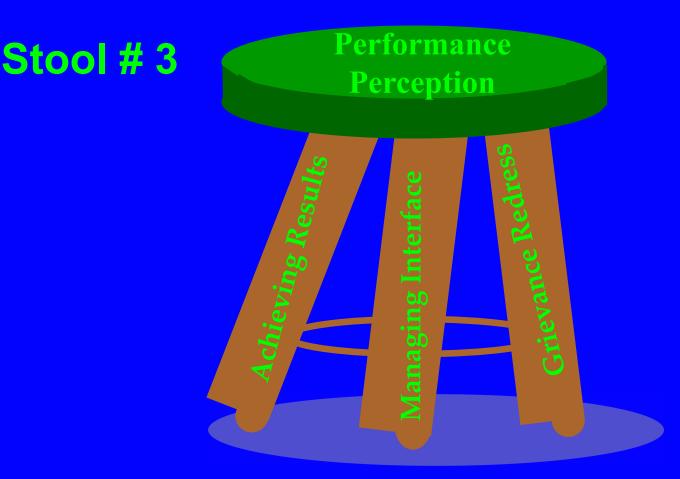
### **Elements of Government Performance Management**



## **Elements of Performance Improvement**



## **Determinants of Performance Perception**



#### What explains the Perception Gap?

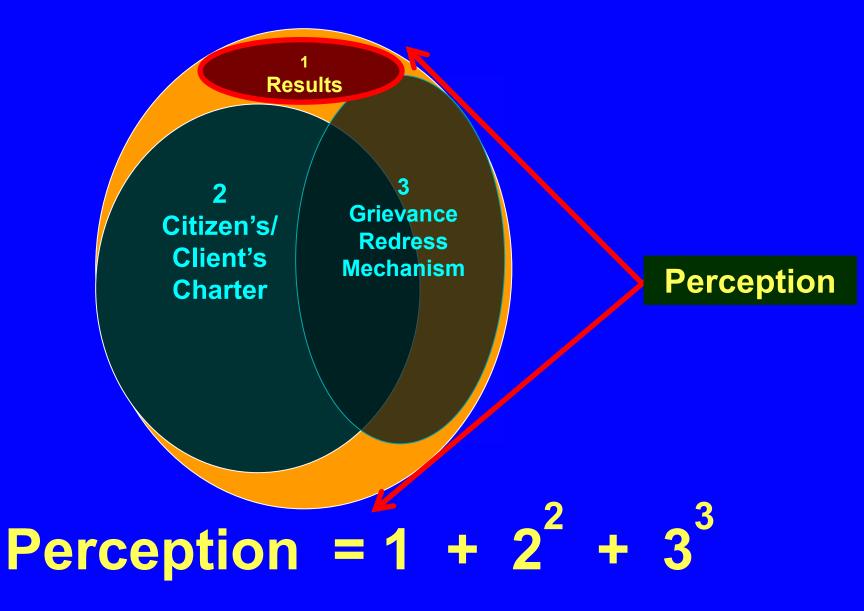
### **Perception = Achieving Targets**

## Quality of Interface

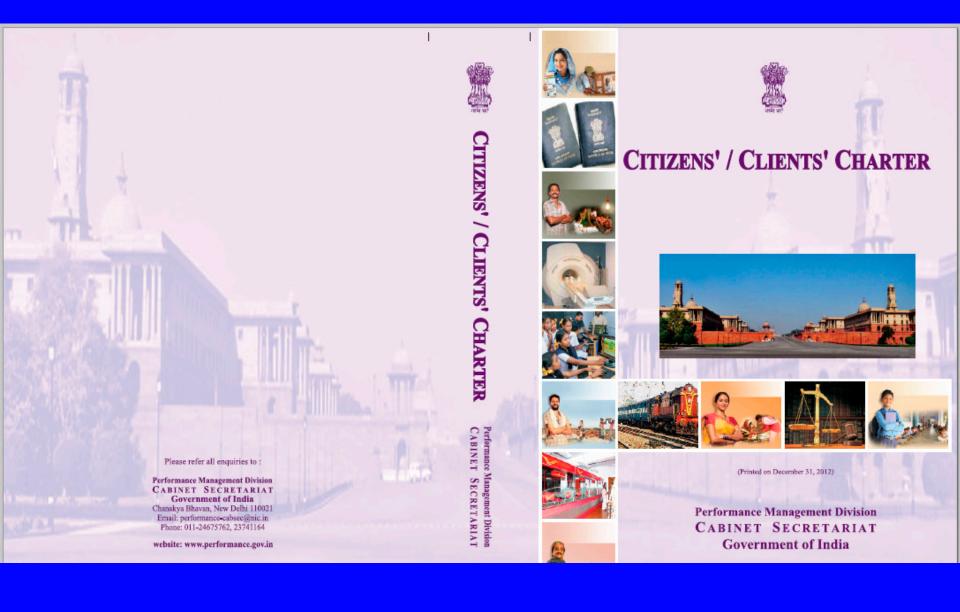
## - Communication

Citizen's / Clients Charter Grievance Redress Mechanism

#### **Determinants of Perception**



#### **Compendium of Citizens' / Clients' Charters (CCC):**





SECRETARIAT



















(Printed on December 31, 2012)

**Performance Management Division** CABINET SECRETARIAT **Government of India** 











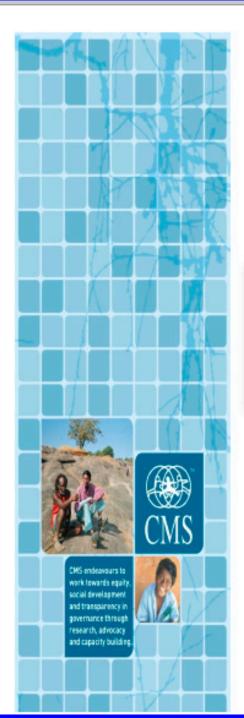


#### **DEPARTMENT OF CHEMICALS AND PETROCHEMICALS**

Shastri Bhawan, New Delhi 110001

#### OUR COMMITMENTS TO YOU

Our Services and Transactions		How we measure our performance in this area	Our Service Standard	
1	Recommendation to DGFT on Advance Authorization Application from Industry for import of raw material against the export of Petrochemical items.	Average time taken from the date of receipt of the fully completed proposal in all respects to issuance of recommendation to DGFT.	45 days	
2	Recommendation to DGFT on applications for import of items covered under Restricted List of Import	Average time taken from the date of receipt of the fully completed proposal in all respects to issuance of recommendation to DGFT	45 days	



Independent Audit of Implementation of Citizens'/Clients' Charter (CCC)

A Report



Submitted to

Performance Management Division

> Cabinet Secretariat Government of India

> > June 2013

#### CMS

RESEARCH HOUSE Saket Community Centre NEW DELHI www.cmsindia.org

#### Table 2: Independent Audit Indicators

				Target / Criteria Value					
	Success Indicator	Unit	Weight	Excellent	Very Good	Good	Fair	Poor	
				100%	90%	80%	70%	60%	
A.	Degree of visibility of CCC in relevant area	%	10	100	85	75	60	50	
В.	Awareness of departmental officers/staff about CCC	%	10	100	85	75	60	50	
C.	Degree of accuracy of the numbers and names of the contact persons mentioned in CCC	%	10	100	85	75	60	50	
D.	Response rate for the phone calls made to contact persons	%	10	100	85	75	60	50	
E.	Quality of the self-assessment report	%	10	100	85	75	60	50	
F.	CCC Score as calculated by the department	%	50	100	85	75	60	50	

### **CCC Evaluation Results**

Table 4: Ministries/Departments- Scorecard on CCC Implementation									
		Audit Indicators							
S.No	Name of Ministry/Department	Combined (A+B+C+D+E+F)	Α	В	C	D	Е	F	
		100	10	10	10	10	10	50	
1	M/o Labour & Employment	97	10	10	10	10	10	47	
2	M/o Statistics & Programme Implementation	95	10	9	10	10	10	46	
3	D/o Pension & Pensioners Welfare	94	7	10	10	9	8	50	
4	D/o Food & Public Distribution	94	10	9	10	10	9	46	
5	D/o Health & Family Welfare	93	6	10	10	9	8	50	
6	D/o Posts	93	10	10	4	10	10	49	
7	D/o Commerce	91	7	10	10	9	9	46	
8	D/o Scientific & Industrial Research	91	9	10	10	9	10	43	
9	D/o AIDS Control	89	10	9	4	7	10	49	
10	D/o Chemicals & Petro - Chemicals	89	7	9	6	7	10	50	
11	D/o Telecommunications	89	10	9	10	10	10	40	
12	D/o Public Enterprises	89	2	10	8	9	10	50	
13	M/o Water Resources	89	5	9	10	10	10	45	
14	D/o Personnel & Training	88	7	9	10	10	10	42	
15	M/o Petroleum & Natural Gas	88	4	10	10	7	10	47	
16	D/o Agriculture & Cooperation	85	4	10	4	7	10	50	
17	D/o Land Resources	85	5	10	6	9	9	46	
18	M/o Panchayati Raj	84	0	9	10	10	8	47	
19	M/o New & Renewable Energy	83	2	9	6	7	10	49	

	07					1		
20	M/o Housing & Urban Poverty Alleviation	82	2	10	4	7	9	50
21	D/o Justice	82	2	9	8	10	6	47
22	M/o Culture	82	5	9	10	6	8	44
23	M/o Mines	81	4	10	2	10	8	47
24	D/o Industrial Policy & Promotion	78	2	10	10	9	0	47
25	D/o Electronics & Information Technology	78	6	9	2	10	8	43
26	M/o Rural Development	78	7	10	4	9	10	38
27	D/o Fertilizers	77	4	9	0	7	10	47
28	D/o Heavy Industry	77	7	9	0	10	9	42
29	M/o Social Justice & Empowerment	77	9	10	0	10	10	38
30	D/o Animal Husbandry, Dairying & Fisheries	75	2	10	4	9	0	50
31	D/o Health Research	75	0	9	4	7	10	45
32	M/o Information & Broadcasting	75	2	10	10	0	10	43
33	M/o Tribal Affairs	75	2	10	0	10	10	43
34	M/o Road Transport & Highways	74	6	10	2	10	0	46
35	D/o School Education & Literacy	74	7	10	8	7	8	34
36	M/o Shipping	72	10	9	0	10	10	33
37	M/o Earth Sciences	71	10	9	10	10	0	32
38	M/o Drinking Water & Sanitation	68	2	10	2	8	0	46
39	M/o Food Processing Industries	64	2	9	4	9	0	40
40	M/o Youth Affairs & Sports	59	5	10	10	10	0	24
41	M/o Coal	58	4	10	0	7	0	37
42	D/o Consumer Affairs	44	4	9	2	6	0	23
43	D/o AYUSH	39	7	10	4	9	9	0
44	M/o Power	33	2	9	2	10	10	0



#### The score for this mandatory success indicator was calculated on the basis of the follo

S. NO.	Evaluation Criteria	WEIGHT		
1	Is CPGRAMS link on the home page?	5%		
2	Percentage of Responsibility Centres (RCs) covered			
3	Are non-electronic grievances uploaded?	5%		
4	% of current grievances disposed during the year	40%		
5	% reduction in total cumulative grievances pending	15%		
6	Average customer feedback Score	10%		
7	% of grievances disposed in 2 months or less	15%		
	Total	100%		

## GRM Evaluation Results

S. NO.	MINISTRY / DEPARTMENT	SCORE
1	D/o Administrative Reforms	69.40
2	D/o Agricultural Research and Education	37.45
3	D/o Agriculture and Cooperation	60.45
4	D/o AIDS Control	52.19
5	D/o Animal Husbandry, Dairying and Fisheries	33.20
6	D/o AYUSH	52.19
7	D/o Bio-Technology	74.50
8	D/o Chemicals and Petro-Chemicals	76.05
9	D/o Commerce	77.85
10	D/o Consumer Affairs	58.25
11	D/o Defense Production	31.20
12	D/o Defense Research and Development	29.30
13	D/o Drinking Water Supply	76.85
14	D/o Ex-Servicemen Welfare	32.50
15	D/o Fertilizers	60.10
16	D/o Food and Public Distribution	27.10
17	M/o Health and Family Welfare	52 <b>.1</b> 9
18	D/o Health Research	52. <b>1</b> 9
19	D/o Heavy Industries	71.10
20	D/o Higher Education	42.10
21	D/o Indusrial Policy and Promotion	58.40

# **Presentation Outline** ✓ What do we do? What is new about it? Why do we do it this way? 4. Impact of what we do 5. SWOT Analysis 6. Way Forward - Proposed Action Plan

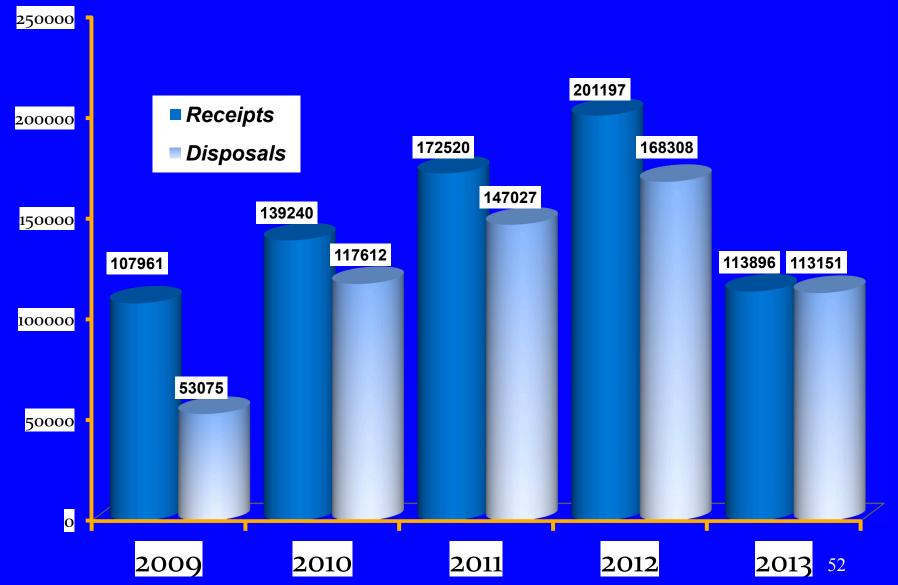
#### Caveats

- 1. System not fully implemented
  - Coverage (all remaining departments should be covered)
  - Results (results should be declared officially)
  - Consequence (there should be explicit consequence)
- 2. Impact follows 2-3 years after full implementation

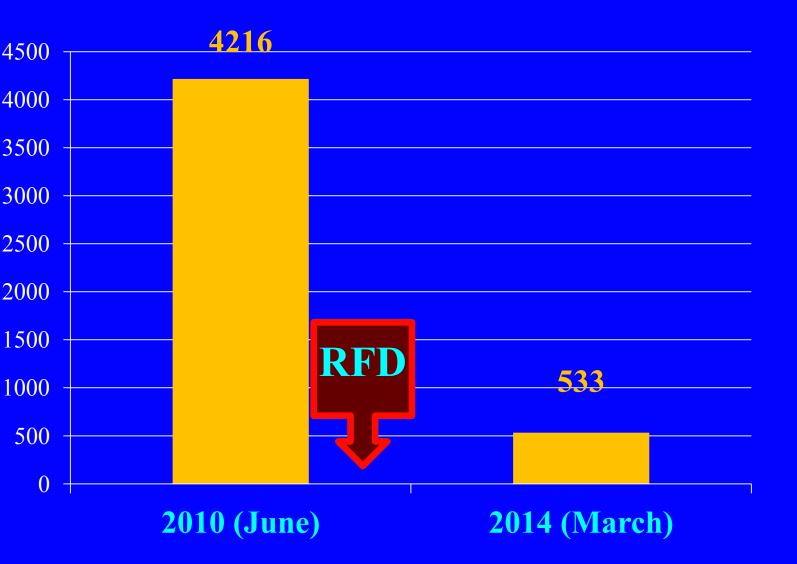
### **Quantitative Evidence**

1. Impact on departments

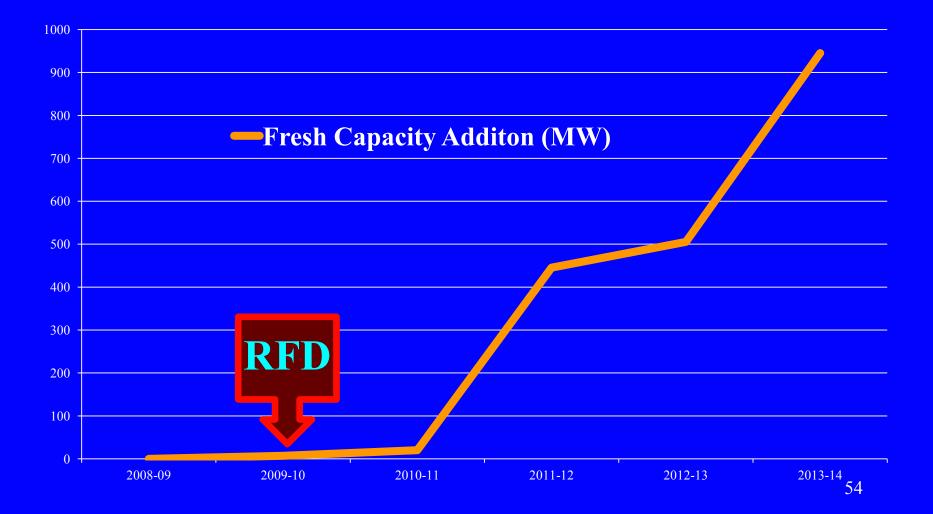
## **Impact of RFD Grievance Redress in GOI**



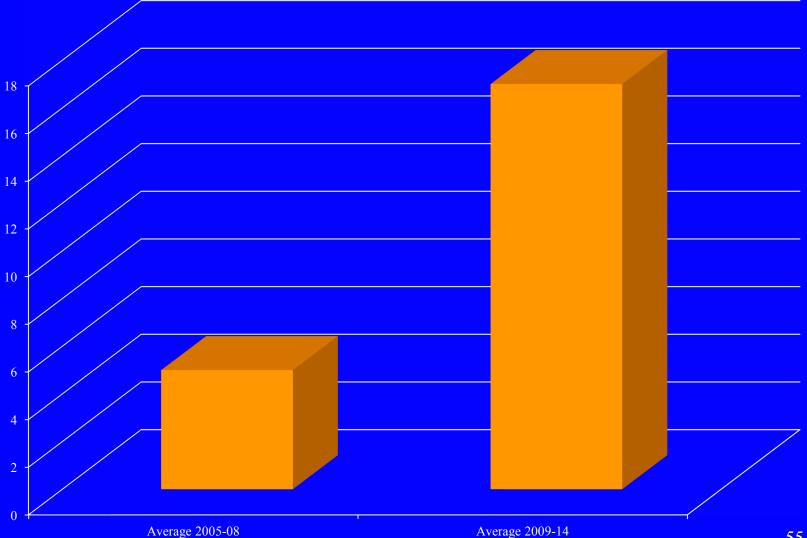
### **Impact of RFD Reduction in Pendency of CAG Paras in GOI**

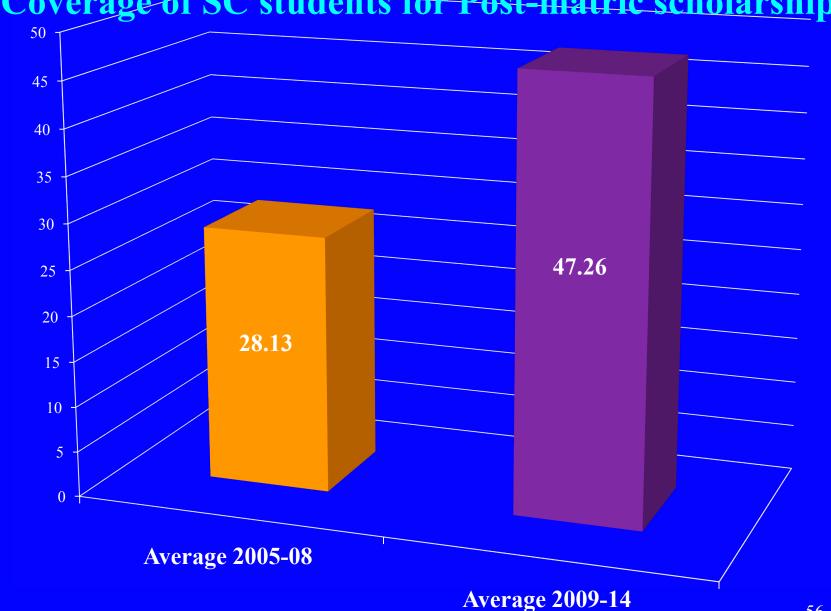


#### Impact of RFD Solar Power - Fresh Capacity Addition Ministry of New and Renewable Energy



#### **Coverage of SC students for Post-matric scholarship**





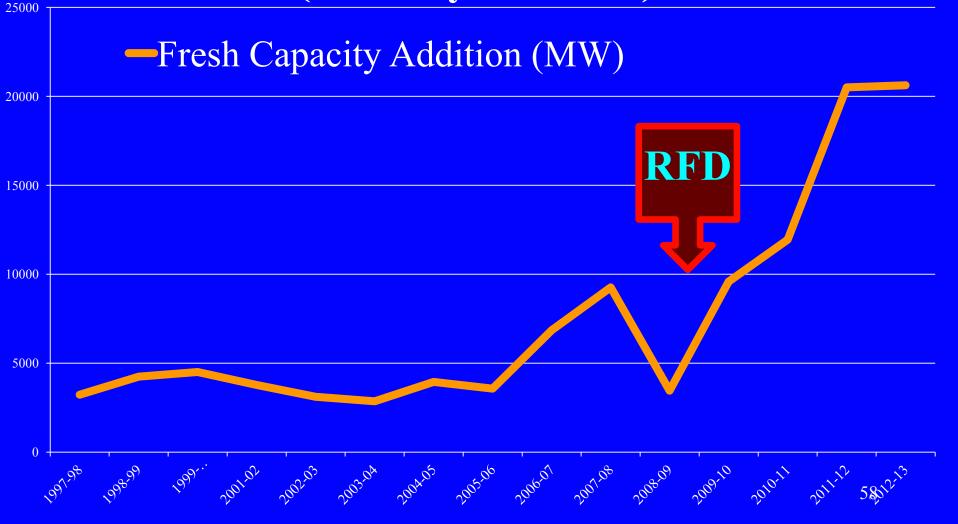
#### **Coverage of SC students for Post-matric scholarship**

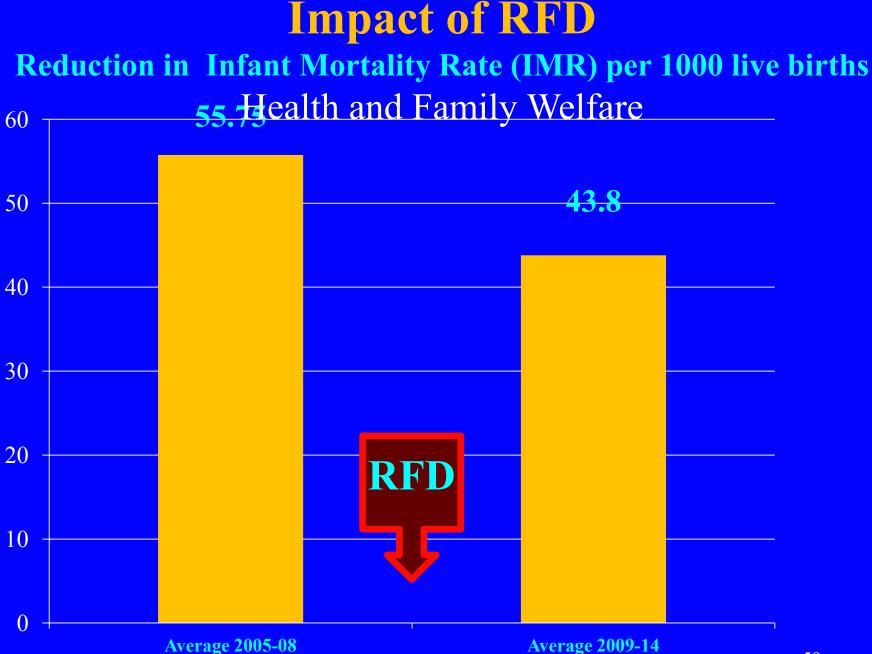
#### **Impact of RFD Rural Teledensity** (Average Annual Growth Rate) Department of Telecommunications

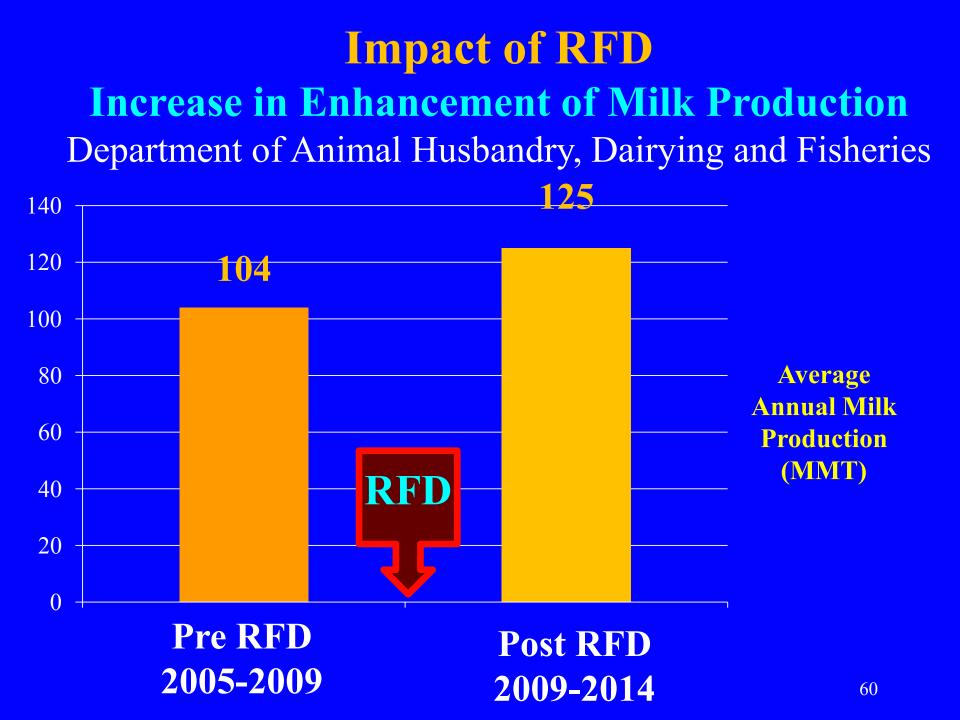


2005-06 to 2009-10 (Pre - RFD period) **2009-10 to 2013-14** (Post - RFD period) 57

### Impact of RFD Fresh Capacity Addition of Power (Ministry of Power)







### **Quantitative Evidence**

- 1. Impact on departments
- 2. Overall average of 83% for departmental performance over 5 years

2009 - 2010					Average
89.16	85.44	81.54	76.46	82.38	82.99

#### **Qualitative Evidence**

- **1. Findings of Ph. D. thesis on RFD** Conclusion that RFD has made a huge impact through
  - a. Development of a template to assess the performance of Ministries objectively
  - b. Facilitating objective performance appraisal of civil servants
  - c. Inculcating performance orientation in the civil servants by channelizing their efforts towards meeting organizational objectives

### **Qualitative Evidence**

- d. Facilitating a critical review of the schemes, programs and internal organisational processes
- e. Facilitating the policy makers to re-evaluate and redefine the Ministry's 'Vision, Mission and Objectives

#### 2. New Initiatives Introduced

- a. Complete liquidation of stocks procured up to 2012-13
- b. Procurement in non-conventional states
- c. Preparation of National Register for GOI Lands

### **Qualitative Evidence**

#### 3. Larger Outputs

Target for Housing for Bidi workers increased from 10 K to 25 K (150% increase)

#### 4. More Efficient Service Delivery

Target for settlement of EPF claims in 20 days 69 % to 90 %

## **5. Procedural Reforms**

Introduced Award for best employer of Ex-Service Men (ESM)

### **Qualitative Evidence**

#### 6. Better Decision Making

- a. Timelines as Success Indicator have accelerated the process of decision making, issue of sanctions and release of funds, etc.
- b. helped in development and adoption of better and regular systems of monitoring and faster introduction of IT based monitoring systems.

## **Qualitative Evidence**

#### 6. Better Decision Making

- c. With a focus on RFDs for the Responsibility Centres which are directly involved in implementation of the schemes, the implementation of the programmes and its monitoring has improved.
- d. RFDs clearly identify the shortcomings and critical areas of concern in each Min/Dept.

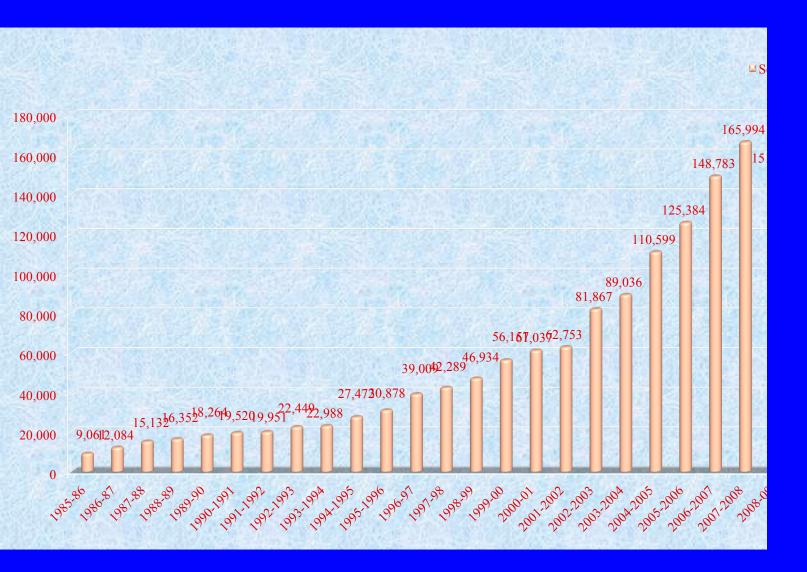
### **Qualitative Evidence**

#### 6. Impact of MOUs

MOUs represent the counterpart of RFDs in public enterprises. Given that they have had an overall significant positive impact on the performance of Central Public Sector Enterprises (CPSEs), it is reasonable to expect RFDs to have a similar impact on the performance of Government Departments.

Some data on CPSEs' performance is presented next...

#### **Contribution of CPSEs to Exchequer**





# STRENGTHS

- 1. PMES has stabilized (80 depts. + 800) RCs
- 2. Widely understood and accepted.
- 3. Quality of evaluation system has improved
- 4. State-of-the-art evaluation methodology
- 5. 17 States have initiated implementation
- 6. Scope widened

# WEAKNESSES

- 1. Inadequate political support for PMES
- 2. Results approved but not made public
- 3. Growing feeling that results do not matter
- 4. Multiple Evaluators fractured arrangement
- 5. No incentive for good performance

# **OPPORTUNITIES**

- 1. Mandate for good governance and accountability
- 2. A very normal way to manage any organization
- 3. Machinery for accountability for results in place
- 4. Perfect time to launch an improved system
- 5. Proposed changes do not require change in law
- 6. Easy for citizens to comprehend this instrument of governance

# THREATS

- 1. Delay in implementation will make acceptability of system more difficult
- 2. Delays in implementing this system will lead to disillusionment
- 3. Delays would mean losing one full year out of five



Citizens' Charter | ISO 9001 | Grievance Redress | Strategy | Benchmarking | Ethics | E-Office | Right to Information | Helpdesk | Vacancies

#### More on Performance Management

- Innovations in Government
- Memorandum of Understanding
- RFMS MoU
- Performance Appraisal
- Performance Related Incentive Scheme
- Performance
  Management
- Project Management

#### More on Knowledge Management

- Knowledge Management
- Communities of Practice
- Commissions on Performance Management
- Government Performance Network

#### Welcome to our site

Welcome to the website of Performance Management Division (PMD), Cabinet Secretariat, Government of India. Our goal is to create a knowledge and information portal that provides access to everything that concerns Performance Management in Government. We hope to make it a one-stop-portal in this field for government officials, researchers, commentators, and management professionals from both public and private sectors. Above all, we want this to be a useful portal for all citizens of India. Enjoy your visit to our site and please do let us know how we can improve it further.

#### Highlights WWW.performance.gov.in





#### Quest for Transparency

Prime Minister Narendra Modi firmly believes that transparency and accountability are the two cornerstones of any pro-people government. Transparency and accountability not only connect the people closer to the government but also make them equal and integral part of the decision making process, more..

On April 9, 2014, Cabinet Secretary initiated the first interaction in a planned series of such interactions of senior civil servants with thought leaders and experts in various aspects of management. Given that good principles of management are transcendental, it is expected that such interactions will provide valuable insights for challenges facing us in governance and public

#### The Power of Performance Measurement

- What Gets Measured Gets Done
- If you Don't Measure Results, You Can't Tell Success from Failure
- If You Can't See Success, You Can't Reward It
- If You Can't Reward Success, You are Probably Rewarding Failure
- If You Can't See Success, You Can't Learn From It
- If You Can't Recognize Failure, You Can't Correct It
- If You Can Demonstrate Results, You Can Win Public Support

## **Thank You**

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