GUIDELINES FOR DESIGNING
RESULTS-FRAMEWORK DOCUMENT (RFD)
FOR RESPONSIBILITY CENTRES (RCs)

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RESULTS-FRAMEWORK DOCUMENT (RFD) 2012-2013 FOR RESPONSIBILITY CENTRES (RCS)

Background

The Prime Minister approved the outline of a "Performance Monitoring and Evaluation System (PMES) for Government Departments" vide PMO I.D. No. 1331721/PMO/2009-Pol dated 11.9.2009. Under PMES, each department is required to prepare a Results-Framework Document (RFD).

A RFD provides a summary of the most important results that a organization expects to achieve during the financial year. This document has two main purposes: (a) move the focus of the organization from process-orientation to results-orientation, and (b) provide an objective and fair basis to evaluate organization 's overall performance at the end of the year.

The following Guidelines are divided into three broad sections: (I) Format of RFD; (II) Methodology for Evaluation; and (III) RFD Process and Timelines

I. Format of Results-Framework Document

A Results-Framework Document (RFD) is essentially a record of understanding between a Department/Ministry representing the people's mandate, and the Head of the organisation responsible for implementing this mandate. This document contains not only the agreed objectives, policies, programs and projects but also success indicators and targets to measure progress in implementing them. To ensure the successful implementation of agreed actions, RFD may also include necessary operational autonomy.

In the case of the Responsibility Centres (attached offices, subordinate offices, and autonomous organizations), the RFD will represent a record of understanding between the parent department / ministry and the Responsibility Centre.

The RFD seeks to address three basic questions: (a) What are organisation's main objectives for the year? (b) What actions are proposed to achieve these objectives? (c) How would someone know at the end of the year the degree of progress made in implementing these actions? That is, what are the relevant success indicators and their targets?

The RFD should contain the following five sections:

Section 1   Organisation's Vision, Mission, Objectives and Functions.
Section 2   *Inter se* 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/organisations that are critical for delivering agreed results.

Section 1: Organisation's Vision, Mission, Objectives and Functions

This section provides the context and the background for the Results-Framework Document. Creating a Vision and Mission for an organisation is a significant enterprise. Ideally, Vision and Mission should be a by-product of a strategic planning exercise undertaken by the organization. Both concepts are interrelated and much has been written about them in management literature. Here we will provide some working guidelines to write this section of the RFD.

A *Vision* is an idealized state for the organisation. It is the big picture of what the leadership wants the organisation to look like in the future.

The organization's M*ission* is the nuts and bolts of the vision. Mission is the who, what and why of the organisation existence.

Vision is a symbol, and a cause to which we want to bond the stakeholders, (mostly employees and sometime other stake-holders). As they say, the people work best, when they are working for a cause, than for a goal. Vision provides them that cause.

Vision is a long-term statement and typically generic and grand. Therefore a vision statement does not change from year to year unless the organisation is dramatically restructured and is expected to undertake very different tasks in the future.

Vision should never carry the 'how' part of vision. For example ' To be the most admired brand in Aviation Industry' is a fine vision statement, which can be spoiled by extending it to' To be the most admired brand in the Aviation Industry by providing world-class in-flight services'. The reason for not including 'how' is that the 'how' part of the vision may keep on changing with time.

Writing up a Vision statement is not difficult. The problem is to make employees engaged with it. Many a time, terms like vision, mission and strategy become more a subject of scorn than being looked up-to. This is primarily because leaders may not be able to make a connection between the vision/mission and people's every day work. Too often, employees see a gap between the vision, mission and their goals and priorities. Even if there is a valid/tactical reason for this mismatch, it is not explained. The leadership of the organisation should therefore consult a wide cross section and come up with a Vision that can be owned by the employees of the organisation.

Vision should have a time horizon of 5-10 years. If it is less than that, it becomes tactical. If it has a horizon of 20+ years (say), it becomes difficult for the strategy to relate to the vision.

Features of a good vision statement:
- Easy to read and understand.
- Compact and crisp to leave something to people's imagination.
- Gives the destination and not the road-map.
- Is meaningful and not too open ended and far-fetched.
- Excites people and makes them feel energized.
- Provides a motivating force, even in hard times.

- Is perceived as achievable and at the same time is challenging and compelling, stretching us beyond what is comfortable.

The entire process starting from the Vision down to the objectives is highly iterative. The question is from where we should start? We strongly recommend that vision and mission statement should be made first without being colored by constraints, capabilities and environment. It is akin to the vision of several armed forces: 'Keeping the country Safe and Secure from external threats'. This vision is non-negotiable and it drives the organization to find ways and means to achieve their vision, by overcoming constraints on capabilities and resources. Vision should be a stake in the ground, a position, a dream, which should be prudent, but should be non-negotiable barring few rare circumstances.

Mission follows the Vision:

We strongly recommend that mission should follow the vision. This is because the purpose of the organization could change to achieve their vision. Organisation's *mission* is the nuts and bolts of the vision. Mission is the who, what and why of your organisation's existence. The vision represents the big picture and the mission represents the necessary work.

Mission of the organisation is the purpose for which the organisation (or RC) exists. It is in one way the road to achieve the vision.

Objectives:

Objectives represent the developmental requirements to be achieved by the organisation in a particular sector by a selected set of policies and programmes over a specific period of time (short-medium-long). For example, objectives of the Ministry of Health & Family Welfare could include: (a) reducing the rate of infant mortality for children below five years; and (b) reducing the rate of maternity death by (30%) by the end of the development plan.

Objectives could be of two types: (a) Outcome Objectives address ends to achieved, and (b) Process Objectives specify the means to achieve the objectives. As far as possible, the organisation should focus on Outcome Objectives.

Objectives should be directly related to attainment and support of the relevant national objectives stated in the relevant Five Year Plan, National Flagship Schemes, and relevant sector and organisational priorities and strategies, President's Address, the manifesto, and announcement/agenda as spelt out by the Government from time to time.

Objectives should be linked and derived from the Organisation's Vision and Mission statements.

The functions of the organisation should also be listed in this section. These functions should be consistent with the allocation of business for the organisation.

Section 2: *Inter se* priorities among key objectives, success indicators and targets.

The heart of the Section 2 of the RFD document consists of the Table 1. In what follows we describe the guidelines for each column of this Table.

Column 1: Select Key Organisation Objectives

From the list of all objectives, select those key objectives that would be the focus for the current RFD. It is important to be selective and focus on the most important and relevant objectives only.

Table 1: Format of the Results-Framework Document (RFD)

Column 1	Column 2	Column 3	Column 4	Column 5		Column 6 Target / Criteria Value				
Objective	Weight	Actions	Success Indicator	Unit	Weight	Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%
Objective 1		Action 1								
		Action 2								
		Action 3								
Objective 2		Action 1								
		Action 2								
		Action 3								
Objective 3		Action 1								
		Action 2								
		Action 3								

Column 2: Assign Relative Weights to Objectives

Objectives in the RFD should be ranked in a descending order of priority according to the degree of significance and specific weights should be attached to these objectives. The Head of the organisation will decide the *inter se* priorities among organisational objectives and all weights must add to 100.

Column 3: Specify Means (Actions) for Achieving Organisation Objectives

For each objective, the organisation must specify the required policies, programmes, schemes and projects. Often, an objective has one or more policies associated with it. Objective represents the desired "end" and associated policies, programs and projects represent the desired "means." The latter are listed as "actions" under each objective.

Column 4: Specify Success Indicators

For each of the "action" specified in Column 3, the organization must specify one or more "success indicators." They are also known as "Key Performance Indicators (KPIs)" or "Key Result Areas (KRAs)" A success indicator provides a means to evaluate progress in achieving the policy, programme, scheme and project. Sometimes more than one success indicator may be required to tell the entire story.
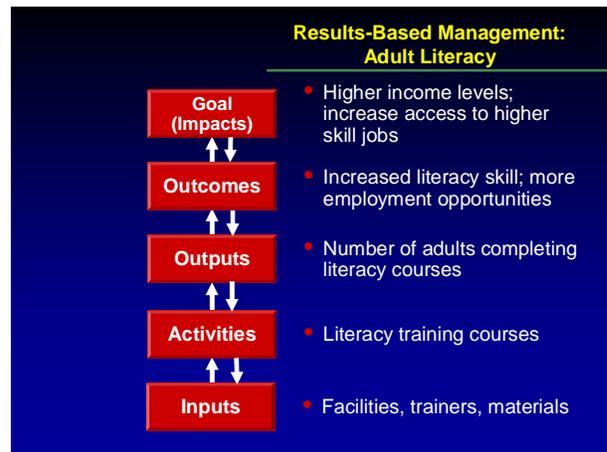
Success indicators are important management tools for driving improvements in organisation performance. They should represent the main business of the organization and should also aid accountability. If there are multiple actions associated with an objective, the weight assigned to a particular objective should be spread across the relevant success indicators.

Success indicators should consider both qualitative and quantitative aspects of organisation performance.

In selecting success indicators, any duplication should be avoided. For example, the usual chain for delivering results and performance is depicted in Figure 1. An example of this results chain is depicted in Figure 2.
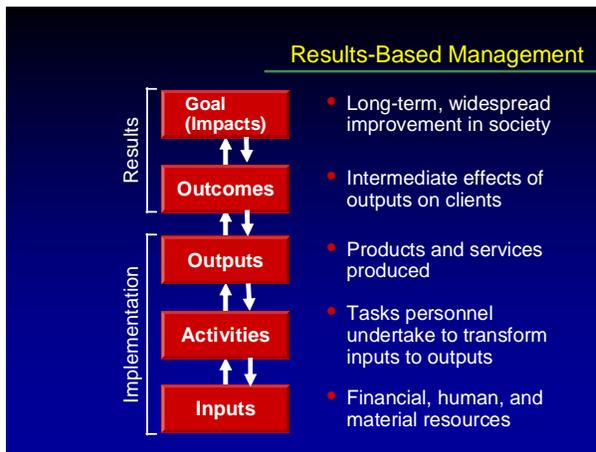
Figure 1: Typical Results Chain   **Figure 2:** An Example of Results Chain

If we use Outcome (increased literacy) as a success indicator, then it would be duplicative to also use inputs and activities as additional success indicators.

Ideally, one should have success indicators that measure Outcomes and Impacts. However, sometimes due to lack of data one is able to only measure activities or output.

Column 5: Assign relative Weights to Success Indicators

If we have more than one action associated with an objective, each action should have one or more success indicators to measure progress in implementing these actions. In this case we will need to split the weight for the objective among various success indicators associated with the objective.

Column 6: Specify Targets for Success Indicators

The next step is to choose a target for each success indicator. Targets are tools for driving performance improvements. Target levels should, therefore, contain an element of stretch and ambition. However, they must also be achievable. It is possible that targets for radical improvement may generate a level of discomfort associated with change, but excessively demanding or unrealistic targets may have a longer-term demoralizing effect.

The target should be presented as the following five-point scale

Excellent	Very Good	Good	Fair	Poor
100 %	90%	80%	70 %	60 %

It is expected that budgetary targets would be placed at 90% (Very Good). For any performance below 60%, the organization would get a score of 0%.

Section 3: Trend values of the success indicators

For every success indicator and the corresponding target, RFD must provide actual values for the past two years and also projected values for two years in the future.

Table 2: Trend Value for Success Indicators

Objective	Actions	Success Indicator	Unit	Actual Value for FY 10/11	Actual Value for FY 11/12	Target Value for FY 12/13	Projected Value for FY 13/14	Projected Value for FY 14/15
Objective 1	Action 1							
	Action 2							
	Action 3							
Objective 2	Action 1							
	Action 2							
	Action 3							
Objective 3	Action 1							
	Action 2							
	Action 3							

Section 4: **Description and definition of success indicators and proposed measurement methodology.**

RFD must contain a section giving detailed definitions of various success indicators and the proposed measurement methodology. Wherever possible, the rationale for using the proposed success indicators may be provided.

Section 5 **Specific performance requirements from other agencies that are critical for delivering agreed results.**

This section should contain expectations from other agencies that impact on the organisation's performance. These expectations should be mentioned in quantifiable, specific, and measurable terms.

Section 6 **Outcome / Impact of activities of organisation**

This section should contain the broad outcomes and the expect impact the organisation (or RC) has on national welfare. This section should capture the very purpose for which the organisation / RC exits.

This section is included for information only and to keep reminded us not only the purpose of the existence of the organisation / RC but also the rationale for undertaking the RFD exercise. The evaluation will be done against the targets mentioned in Section 2. The whole point of RFD is to ensure that RCs (organisations) serve the purpose for which they were created in the first place.

The required information under this section should be entered in Table 3. The Column 2 of Table 3 is supposed to list the expected outcomes and impacts. It is possible that these are also mentioned in the other sections of the RFD. Even then they should be mentioned here for clarity and ease of reference. For example, the purpose of Department of AIDS Control would be to Control the spread of AIDS. Now it is possible that AIDS control may require collaboration between several departments like Health and Family Welfare, Information and Broadcasting, etc. In Column three all departments / ministries / RCs jointly responsible for achieving national goal are required to be mentioned. In Column 4 organization is expect to mention the success indicator (s) to measure the organizational outcome or impact. In the case mentioned, the success indicator could be 5 of Indians infected with AIDS. Column 5 to 9 give the expected trend values for various success indicators.

Section 6: Outcome / Impact of activities of organisation

1	2	3	4	5	6	7	8	9
S. No	Outcome / Impact of organisation /RC	Jointly responsible for influencing this outcome / impact with the following organisation (s) / departments/ministry(ies)	Success Indicator (s)	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015

II. Evaluation Methodology

At the end of the year, the parent department/ministry will look at the achievements of the organisation, compare them with the targets, and determine the composite score. Table 4 provides an example from the health sector. For simplicity, we have taken on one objective to illustrate the evaluation methodology.

The Raw Score for Achievement in Column 6 of Table 4 is obtained by comparing the achievement with the agreed target values. For example, the achievement for first success indicator (% increase in primary health care centers) is 15 %. This achievement is between 80 % (Good) and 70 % (Fair) and hence the "Raw Score is" 75%.

The Weighted Raw Score for Achievement in Column 6 is obtained by multiplying the Raw Score with the relative weights. Thus for the first success indicator, the Weighted Raw Score is obtained by multiplying 75% by .50. This gives us a weighted score of 37.5%

Finally, the Composite Score is calculated by adding up all the weighted Raw Scores for achievements. In Table 4, the Composite Score is calculated to be 84.5.

The composite score shows the degree to which the organisation in question was able to meet its objective. The fact that it got a score of 84.5 % in our hypothetical example implies that the organisation's performance vis-à-vis this objective was rated as "Very Good."

The methodology outlined above is transcendental in its application. Various agencies will have a diverse set of objectives and corresponding success indicators. Yet, at the end of the year every organisation will be able to compute its Composite Score for the past year. This Composite Score will reflect the degree to which the organisation was able to achieve the promised results.

Organizational Rating for RC	Value of Composite Score
Excellent =	100% - 96%
Very Good =	95% - 86%
Good =	85 – 76%
Fair =	75% - 66%
Poor =	65% and below

Table 4: Example of Performance Evaluation at the End of the Year

Column 1	Column 2	Column 3		Column 4		Column 5					Column 6		
Objective	Action	Criteria / Success Indicators	Unit	Weight		Target / Criteria Values					Achievement	Raw Score	Weighted Raw Score
						Excellent	Very Good	Good	Fair	Poor			
						100%	90%	80%	70%	60%			
Better Rural Health	Improve Access to Primary Health Care	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%**

III. RFD Process and Timelines

A. Beginning of the Year

- At the beginning of each financial year, with the approval of the Department/Ministry/competent authority concerned, each Organisation will prepare a Results-Framework Document (RFD) consistent with these guidelines.

- To achieve results commensurate with the priorities listed in the RFD, the Department/Ministry/competent authority in-charge will approve the proposed activities and schemes for the organisation. The Department/Ministry/competent authority will also approve the corresponding success indicators (Key Result Areas – KRAs or Key Performance Indicators – KPIs) and time bound targets to measure progress in achieving these objectives.

- Based on the proposed budgetary allocations for the year in question, the drafts of RFDs will be completed by 5th of March every year in future. To ensure uniformity, consistency and coordinated action across various Responsibility Centers (RCs), the concerned administrative ministry / department will review these drafts and provide feedback to the *Responsibility Centers concerned*. This process needs to be completed by March 31 of each year.

- The final versions of all RFDs will be put up on the websites of the respective RCs by the 15th of April each year.

- The Final draft of Results-Framework Document (RFD) of each RC will be submitted to the concerned administrative ministry / department, by the 15th April of each year. It will take into account budget provisions and in particular the Outcome Budget. The Results-Framework Documents will be drawn up in such manner that quarterly monitoring becomes possible.

B. During the Year

- After six months, the Results-Framework as well as the achievements of each RC against the performance goals laid down at the beginning of the year, will be reviewed by the concerned administrative ministry / department. At this stage, the Results-Framework Documents may have to be reviewed and the goals reset, taking into account the priorities at that point of time. This will enable to factor in unforeseen circumstances such as drought conditions, natural calamities or epidemics. Cabinet Secretariat will select RFDs of about 24 Responsibility Centres using a stratified random sampling procedure. These RFDs for RCs will be examined by the members of the Ad-hoc Task Force (ATF) along with the RFDs for the parent department / ministry.

C. End of the Year

- At the end of the year, all RCs will review and prepare a report listing the achievements of their respective organizations against the agreed results in the prescribed format. This report is required to be finalized by the 1st of May each year.

- After scrutiny by the concerned administrative ministry / department, these results will be placed in the website of the respective RCs by 1st of June each year.

IV. Time Table 2012-2013 RFDs

WHEN		WHAT	WHO
2012	March 5	Submit final draft of Results-Framework (RF) document to concerned administrative ministry / department	RCs
2013	May 1	Submit year-end evaluation report on progress during the year	RCs
	June 1	Place the Evaluation result in the respective website	RCs

V. Mandatory Success Indicators

Each RFD must contain the following mandatory indicators to promote enhanced and sustainable organisational performance levels.

	Objective	Actions	Success Indicator	Unit	Weight	Target / Criteria Value				
						Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
1	**Efficient Functioning of the RFD System**	Timely submission of RFD for 2012-13	On-time submission	Date	2%	March 5 2012	March 8 2012	March 9 2012	March 10 2012	March 11 2012
		Timely submission of Results for 2012-13	On-time submission	Date	1%	May 1 2013	May 2 2013	May3 2013	May 4 2013	May 5 2013
		Finalize a Strategic Plan for RC	Finalize the Strategic Plan for next 5 years	Date	2%	Dec. 10 2012	Dec. 15 2012	Dec. 20 2012	Dec. 24 2012	Dec. 31 2012
		Identify potential areas of corruption related to organisation activities and develop an action plan to mitigate them	Finalize an action plan to mitigate potential areas of corruption.	%	2%	Dec. 10 2012	Dec. 15 2012	Dec. 20 2012	Dec. 24 2012	Dec. 31 2012
		Implementation of Sevottam	Create a Sevottam compliant system to implement, monitor and review Citizen's Charter	Date	2%	Dec. 10 2012	Dec. 15 2012	Dec. 20 2012	Dec. 24 2012	Dec. 31 2012
			Create a Sevottam Compliant system to redress and monitor public	Date	2%	Dec. 10 2012	Dec. 15 2012	Dec. 20 2012	Dec. 24 2012	Dec. 31 2012

Objective	Actions	Success Indicator	Unit	Weight	Target / Criteria Value				
					Excellent 100%	Very Good 90%	Good 80%	Fair 70%	Poor 60%
		Grievances							
			TOTAL WEIGHT=	11%					

For examples and background material on the *Performance Monitoring and Evaluation System*, please visit our website: www.performance.gov.in

VI. RFD Submission Process

All RFDs must be submitted to the administrative ministry / department concerned, by 5:30 PM on Monday, March 5, 2012.

Please refer all enquires relating to these guidelines to:

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