

# Executive Summary

This research attempted to provide guidance for the improvement of KOICA's results based management (RBM) by analysing other bilateral/multilateral organizations experiences in terms of RBM and current practice. Additionally, this research aimed to define the role of KOICA as an agency concerned with project result management.

The concept of RBM first began in the 1950s with the concept of "Management by Objectives," put forward by Peter Drucker. RBM ideas were adopted in the development sector, most notably through invention of the Logical Framework Approach developed by USAID and Project Cycle Management as a tool for development project performance management. Due to the difficulty of defining 'results', the public sector has largely steered away from adopting RBM and focused performance management at lower management levels, such as 'inputs' and 'activities'. However this type of management created inefficiency problems. With the economic downturn, many western governments adapted RBM as part of a wave of public sector reforms that happened during the 1990s. In the following decade, Managing for Development Results (MfDR) was established in the international development cooperation field as a management principle based on that of RBM.

Looking at the success or otherwise of various governments and agencies in implementing RBM shows that it was not as easy to adopt as it at first had seemed. In fact, there have been extensive studies made of the challenges organizations faced during the switch to RBM, which could be categorized as either 'agency level' or 'technical' difficulties. At the agency level, adopting RBM called for a fundamental change in organizational culture. This took time and resources, which made strong leadership at the top management level absolutely essential for the successful adaptation of RBM. UNDP, the World

Bank and many other organizations indicated that it took at least five to ten years for RBM to be successfully integrated into the management set-up. Technical difficulties arose from measuring performance and filling the gap between what the performance measurements could provide and the expectations of what it ought to provide. On top of these difficulties, aid agencies faced other challenges unique to the aid field, such as in aggregating results from various sectors and regions in which the agency projects were carried out.

In order to improve the efficiency and consistency of development efforts, the MfDR recommended aligning all the goals from the level of ODA policy to that of individual project objectives. A further recommendation was for accountability to be accompanied by decentralization, which itself necessitated having a thoroughly planned results framework and well-designed set of project results indicators. The case of Agence Française de Développement was used to show how an advanced agency might address such issues.

In the light of the historical developments in terms of RBM's adoption and implementation within the development field, the current status and history of KOICA's own RBM has been examined. KOICA's RBM system looks, on the one hand, to have been successful, but, nevertheless, on the other hand, there has still been room for improvement. For instance, KOICA's evaluation feedback system appeared successful in integrating the lessons learned from project management with the agency's overall performance management. However, KOICA's results framework showed a less than perfect alignment of the project planning and policy objectives. Furthermore, KOICA has faced a requirement to enhance its capacity to measure direct project results, such as specific project outcomes and output.

In order to meet this need and so as to offer suggestions as to its solution, possible options for KOICA results framework have been explored. Various policies and strategies of Korean ODA were examined in order to come up with a results frame. Based on this result frame, three KOICA performance indicators at the agency level were suggested. The performance indicators are

designed to measure three aspects of KOICA's performance: its implementation of Korean ODA principles, its ability to improve aid effectiveness, and any improvements made to the projects' outcome measurement system. The last indicator was selected in order to secure the adoption and implementation of a results management system for individual projects. This indicator would be replaced with actual project outcomes and output measurements once the system has been eventually fully adapted.

One limitation of KOICA's performance indicators is that they were not designed to address the problems in KOICA's RBM in the short-term. Rather, the indicators have been designed to put the agency on track for the progressive adaptation of RBM, with a view to establishing effective program results-based performance management.