PRESENTATION ON
RESULTS FRAMEWORK DOCUMENT (RFD)

WHAT IS RFD ?

➢ **RFD provides a summary of the most important results that a Department expects to achieve during a financial year**

➢ **RFD is essentially a record of understanding between a Minister representing the people's mandate and the Secretary of a Department responsible for implementing this mandate.**

PURPOSE OF RFD

➢ **RFD has two main purposes:**

➢ **Move the focus of the Department from process-orientation to result-orientation**

➢ **Provide an objective and fair basis to evaluate Departments overall performance at the end of the year**

WHEN DID IT TAKE OFF?

➢ **The Cabinet approved introduction of RFD in Mizoram from 2013-14 in its meeting on 21.08.2012**

➢ **RFD implemented in 40 selected Departments under Govt. of Mizoram since 2013-14**

➢ **44 Departments/Directorates covered under RFD from 2014-15**

➢ **RFD expanded to all the 8 Districts from 2015-16, thus, covering 52 Departments/Directorates/ Districts**

WHY DO WE NEED RFD?

➢ **Because it addresses these three basic questions**

  ➢ **What are the Department's main objectives for the year?**

  ➢ **What actions are proposed by the Department to achieve these objectives?**

  ➢ **How would someone know at the end of the year the degree of progress made in implementing these actions?**

PHILOSOPHY BEHIND RFD

"What gets measured gets done"

FIVE SECTIONS OF RFD

➤ **Section-1: Department's Vision, Mission, Objectives and Functions**

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

➤ **Section-3: Description and definition of success indicators and proposed measurement methodology**

FIVE SECTIONS OF RFD

➢ **Section-4: Specific performance requirements from other Departments that are critical for delivering agreed results**

➢ **Section-5: Outcome/Impact of activities of the Department**

Section-1: Department's Vision, Mission, Objectives and Functions

➢ **Vision is the big picture of what the leadership wants the Department to look like in future**

➢ **Vision is a long term statement and typically generic and grand**

➢ **Vision gives the destination and not the road map**

➢ **Example:** *Make the State a model of excellence in management of public finance and economic management for its sustainable development*

Section-1: Department's Vision, Mission, Objectives and Functions

➢ **Mission is the nuts and bolts of Vision and mission should follow vision**

➢ **Mission is essentially the purpose for which the Department exist**

➢ **Vision represents the big picture and Mission the necessary work**

➢ **<u>Example</u>:** *Sound fiscal management through prudent economic and financial policies; efficient and optimum resource mobilization and expenditure rationalization*

Section-1: Department's Vision, Mission, Objectives and Functions

- ➢ **Objectives represent developmental requirements to be achieved by a Department through a set of policies & programmes**

- ➢ **Objectives should be linked to the Vision & Mission of the Department**

- ➢ **Objectives should be directly related to achievement of Five Year Plans, Flagship Schemes, Budget, etc**

- ➢ **<u>Example:</u> *One of the objectives of Finance Deptt is "Improve Revenue mobilization"***

Section-1: Department's Vision, Mission, Objectives and Functions

➢ Functions should be in line with the Mizoram (Allocation of Business) Rules, 2014 for the Department

➢ Unless the Rules is changed, Functions in RFD should not be changed

➢ This Section is supposed to reflect the legal/administrative reality as it exists

➢ **Example:** *Some of the Functions of Finance Deptt are:*

➢ *All Budgetary matters including control of expenditure*

➢ *Matters relating to Fiscal Policy and Public Finance*

➢ *Pension*

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

➢ **Select only the most important Objectives of the Department for the RFD**

➢ **The key Objectives should add up to 90% weight**

➢ **Remaining 10% is for mandatory Objectives**

➢ **Objectives in the RFD should be ranked in a descending order of priority and specific weights should be attached to these Objectives**

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

➢ For each Objective, the department must specify the required policies, programmes, schemes and projects i.e. the "actions" to achieve the Objectives

➢ For each of the "action", the department must specify one or more "Success Indicators"

➢ A Success Indicator provides a means to evaluate progress in implementing the policy, programme, scheme or project

➢ Assign weights to each Success Indicator within the weight allotted to the "action" in order of priority

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

➢ **Ideally, one should have success indicators that measure Outcomes and Impacts and not mere activities or inputs**

➢ **Choose targets for each Success Indicator which must contain an element of stretch and ambition**

➢ **Targets should be presented as per five point scale as below:**

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

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

➢ In general, departmental targets would be placed at *90% (Very Good)* column.

➢ There are only two exceptions: (a) When the budget requires a very precise quantity to be delivered (b) When there is a legal mandate for a certain target and any deviation may be considered a legal breach

➢ In above exceptional cases, departmental targets would be placed at *100% (Excellent)* column

➢ The RFD targets should be aligned with Plan priorities and be consistent with departmental budget

Section-2: *Inter se* priorities among key objectives, success indicators and targets (cont…)

Column 1	Column 2	Column 3	Column 4	Unit	Column 5	Column 6				
						Target/Criteria Value				
Objective	Weight	Actions	Success Indicator	Unit	Weight	Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
Example from Finance Department										
[1] Rationalize expenditure	40	[1.1] Reduce interest liability	[1.1.1] Interest payment as % of TRR	%	20	3.09	4.09	5.09	6.09	7.09
		[1.2] Improve capital expenditure	[1.2.1] Capital expenditure as % of TE	%	20	22.99	21.99	20.99	19.99	18.99

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

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6				
					Target/Criteria Value				
Objective	Weight	Actions	Success Indicator	Unit	Weight	Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
Example from Finance Department										
[2] Improve revenue mobilization	30	[2.1] Enhance tax revenue	[2.1.1] Tax revenue as % of GSDP	%	15	14.48	13.48	12.48	11.48	10.48
		[2.2] Enhance non-tax revenue	[2.2.1] Non tax revenue as % of GSDP	%	15	4.83	3.83	2.83	1.83	0.83

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

Column 1	Col 2	Column 3	Column 4	Unit	Column 5	Column 6				
						Target/Criteria Value				
Objective	Weight	Actions	Success Indicator	Unit	Weight	Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
Example from Finance Department										
[3] Sustainable Debt Manage-ment	20	[3.1] Keeping debt within ceiling	[3.1.1] Total Debt as % of GSDP	%	20	50.04	55.04	60.04	65.04	70.04

Section-2: Mandatory Success Indicators

- Besides Department's own objective and success indicators, each RFD contains a set of mandatory Success Indicators. They are given 10% weight.
- Mandatory SI's for 2017-18 are:
  - Efficient functioning of the RFD system (3% weightage)
  - Updating of Citizens' Charter (2% weightage)
  - Effective redressal of citizens' grievances (1% weightage)
  - Simplifying internal procedures for effective public service delivery (2% weightage)
  - Publication of e-Book of achievements (2% weightage)

Section-2: Mandatory Success Indicators

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6				
					Target/Criteria Value				
Objective	Weight	Actions	Success Indicator	Unit	Weight	Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
Common to all Departments										
Effficient functioning of RFD system	3	Timely submission of Mid Term Achievement	On-time submission	Date	1	10/10/2017	17/10/2017	24/10/2017	30/10/2017	10/11/2017
		Timely submission of Results for 2017-168	On-time submission	Date	2	02/05/2018	03/05/2018	04/05/2018	05/05/2018	07/05/2018

Section-2: Mandatory Success Indicators

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6				
					Target/Criteria Value				
Objective	Weight	Actions	Success Indicator	Unit	Weight	Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
Common to all Departments										
Updating of Citizen's Charter	2	Updating of Citizen's Charter	On-time submission	Date	2	01/01/2018	10/01/2018	20/01/2018	31/01/2018	10/2/2018
Effective redressal of citizens grievances	1	Timely disposal of citizens' grievances lodged through www.mipuiaw.nic.in	Citizens' grievances disposed off through www.mipuiaw.nic.in within 30 days	%	1	100	90	80	70	60

Section-2: Mandatory Success Indicators

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6				
					Target/Criteria Value				
Objective	Weight	Actions	Success Indicator	Unit	Weight	Excellent	Very Good	Good	Fair	Poor
						100%	90%	80%	70%	60%
Common to all Departments										
Simplification of internal procedures	2	Examination and simplification of internal procedures	No. of procedures simplified	No	2	5	4	3	2	1
Publication of e-Book of achievements	2	Timely publication of e-Book for the year 2016-17	On time publication and uploading in website	Date	2	10/10/2017	17/10/2017	24/10/2017	30/10/2017	10/11/2017

Section-3: Description and definition of success indicators and proposed measurement methodology

➤ Section-3 provides detailed description and definition of success indicators mentioned in Section-2

➤ *Example: In Section-2, for the objective [2] of "Improve revenue mobilization", the corresponding success indicator [2.1.1] is "Tax revenue as percentage of GSDP"*

➤ *Therefore, Section-3 of Finance Deptt's RFD must contain detailed description and proposed measurement methodology of success indicator [2.1.1] "Tax revenue as percentage of GSDP"*

Section-3: Acronym

Sl. No.	Acronym	Description
Example from Finance Department		
1	GSDP	Gross State Domestic Product
2	TRR	Total Revenue Receipts
3	TE	Total Expenditure

Section-3: Description and definition of success indicators

Sl. No.	Success Indicators	Description	Measurement	General Comments
1	[1.1.1] Interest payment as % of TRR	This indicator shows what percentage of Revenue Receipts is utilized for servicing the interest components of debt.	Interest Payments / Total Revenue Receipts x 100	The source of the data is the Finance Department of the State.
2	[1.2.1] Capital expenditure as % of TE	This indicator shows the nature of expenditure being made by the State and indicates the trend in asset creation and infrastructure development.	Capital Expenditure / Total Expenditure x 100	The source of the data is the Finance Department of the State.

Section-3: Description and definition of success indicators and proposed measurement methodology

Sl. No.	Success Indicators	Description	Measurement	General Comments
3	[2.1.1]Tax revenue as % of GSDP	This indicator shows the contribution of tax revenue with respect to the GSDP which is an indicator for the level of tax buoyancy of the State	State Own Tax Revenue / GSDP at Current Price x 100	The source of the data is the Finance Department of the State.
4	[2.2.1]Non-tax revenue as % of GSDP	This indicator shows the contribution of non-tax revenue with respect to the GSDP.	State Own Non-Tax Revenue / GSDP at Current Price x 100	The source of the data is the Finance Department of the State.

Section-3: Description and definition of success indicators and proposed measurement methodology

Sl. No.	Success Indicators	Description	Measurement	General Comments
5	[3.1.1] Total debt as % of GSDP	This indicator shows the extent of the requirement of the State to meet its expenditure from Public Debt.	Total debt/GSDP at current prices x 100	The source of the data is the Finance Department of the State.

Section-4: Specific performance requirements from other departments

➢ **This section must contain expectations from other Departments that impact on the department's performance**

➢ **Names of those Departments only need to be incorporated where dependency is more than 20%**

➢ **Expectations should be mentioned in quantifiable, specific, and measurable terms**

➢ **The essence of management is to deliver results that are outside the boundary of direct control.**

Section-4: Specific performance requirements from other departments

Location Type	State	Organisation Type	Organisation Name	Relevant SI	What is your requirement from this Organisation	Justification for this requirement	Please quantify your requirement from this Organisation	What happens if your requirement is not met
State Govt.	Mizoram	Deptt	Taxation Dept	[2.1.1] Tax revenue as % of GDP	Collection of tax revenues including arrears and improvement of tax administration	Tax collection is the purview of Taxation Deptt	To generate at least 13.48% of tax as % of GSDP	Revenue targets will not be met

Section-5: Outcome/Impact of activities of Department

- **This section should contain the broad outcomes and the expected impact the Department has on state welfare**

- **This section is included for information only and to keep reminding us about not only the purpose of the existence of the Department but also the rationale for undertaking the RFD exercise.**

- **The actual evaluation will be done against the targets mentioned in Section 2**

Section-5: Outcome/Impact of activities of Department

Sl. No	Outcome/ Impact	Jointly responsible for influencing this outcome with the following organisation	Success Indicators	Units	2016-2017	2017-2018	2018-2019	2019-2020
1	2	3	4	5	6	7	8	9
1	Enhanced revenue generation	All Department	Tax & Non-tax revenue as % of GSDP	%	15	15.5	16	16.5
2	Reduction in interest payments	All Department	Interest payment as % of TRR	%	5.09	4.09	3.09	2.09

EVALUATION METHODOLOGY

➢ **Achievements of Departments, measured in terms of Composite Score, is calculated based on their performance against their objectives**

➢ **Calculation of Composite Score done by the Results Framework Management System itself. No human element involved in calculation of scores.**

➢ **Higher Composite Score indicates higher level of achievement whereas lower score indicates lower level of achievement**

➢ **Composite Score measured in terms of percentage**

STANDARD RATINGS

DEPARTMENTAL RATING	COMPOSITE SCORE
Excellent	100% - 91%
Very Good	90% - 81%
Good	80% - 71%
Fair	70% - 61%
Poor	60% & below

RFD FINAL ACHIEVEMENT FOR THE YEAR 2016-17

Rank	Name of Dept	Composite Score
1.	FCS&CA	91.20%
2.	Cooperation	90.60%
3.	GAD	90.50%
4.	Tourism	89.70%
5.	Taxation	89.10%
6.	Horticulture	89.00%
7.	EF&CC	88.25%
8.	ICT	87.20%
9.	Excise & Narcotics	82.90%
10.	H&FW	79.20%

POSITIVE IMPACT

➢ **Departments have gradually moved towards achievement of results based on objectives in RFD since these are *measured***

➢ **RFD enables continuous monitoring of achievements of Departments from a single point**

➢ **RFD provides a realistic system for Departments to continuously evaluate their own achievements against their objectives.**

CHALLENGES AHEAD

➢ **To get a Composite Score of at least 75% for all Departments during the year 2018-19**

➢ **To gradually improve the quality of our Success Indicators from being Input/Activity based to *Outcome* based**

➢ **Greater awareness on implementation of RFD by Officers and Staff of the Departments**

➢ **Regular monitoring and review of the performance of Departments from the highest level in each Department**

THANK YOU