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**Essential Resources**

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Performance Based Programme Budgeting - Essential Resources  
Second edition

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## Foreword

Dear Colleagues,

The Ministerial Council (MC) in Brussels, in its Decision 18/06 on Further Strengthening the Effectiveness of OSCE Executive Structures, has stated its commitment to the introduction and application of Performance-Based Programme Budgeting (PBPB). The MC Decision highlights another step in the evolution of the OSCE planning and budgeting cycle and reflects the past year's activities to develop a performance-based approach tailored for the OSCE.

The continuous strengthening of PBPB as a regular management tool is expected to help ensure that the intended Programme results are achieved in a more effective and efficient manner, and that they derive from transparent organizational processes (political and operational). Improving the communication to the participating States on what OSCE activities contribute to will increase transparency, and improving internal management processes will increase effectiveness.

PBPB is not something that will happen overnight but as a result of a phased process supported by all Fund Managers and advised by the Steering Group and participating States themselves. Special thanks to the Project Team as well as the colleagues who participated in the Pilot phase. Thank you for your patience and support. But above all, this change in management approach will be realized thanks to you: the individuals who through their day to day service to the Organization will make it a worthy programmatic tool.

This package has been put together to assist you as we embark on this new endeavour. Whether in a managerial capacity or in a supportive role as facilitator, we hope you find in this package a worthy ally capable of offering clear guidance, relevant examples, a variety of useful templates and accurate answers to most common concerns.

These are exciting days which offer us the opportunity to contribute to strengthening the Organization's capability to deliver effective assistance to participating States' efforts to address the challenges to peace and stability in our societies. With your active participation in this process I am convinced that we will take this small but important step towards those goals.

Yours truly,



Marc Perrin de Brichambaut  
Secretary General

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# PBPP Orientation Guide

# Performance Based Programme Budgeting | PBPB

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# An Orientation Guide

This guide introduces the basic concepts and common practices of the OSCE's Performance Based Programme Budgeting (PBPB) and is organized as follows:

## **Chapter 1: What you need to know to get started**

The first part of this guide is aimed at ensuring a common understanding of what the OSCE's performance-based approach to programming entails by explaining its rationale and elaborating on PBPB basic concepts.

## **Chapter 2: Planning your Programme – Practical suggestions**

This chapter provides suggestions to Fund and Programme Managers on how to most effectively plan their programmes.

## **Chapter 3: Formulating your Programme**

This portion of the guide offers practical guidance to formulate Programme budgeting documents using a performance-based approach.

## **Chapter 4: Responses to frequently asked questions**

The last chapter of the guide compiles answers to common issues and likely questions on PBPB.

## An Orientation Guide

### **Chapter 1:**

# **What you need to know to get started**



## What is Performance Based Programme Budgeting?

A performance based approach places the emphasis on planning for, communicating and achieving RESULTS.

### What Does That Mean in Practice?

PBPB's introduction into the OSCE has two elements:

1. Our Programmes focus on achieving specific results. This will require your Fund and Programme to:

- Strengthen the link between the political priorities of the Fund and Programme activities;
- Plan, focus and prioritise Programme Objectives according to the results the Programme wishes to achieve in the medium term and the resources available to them;
- Engage in systematic monitoring and evaluation of Programme activities in order to increase their efficiency and ultimately, their effectiveness;
- Strengthen the co-ordination of Programme activities between Field Missions, Institutions and the Secretariat.

2. We communicate to participating States through the Programme and Budgeting documents more clearly the results our Programmes want to achieve, and better justify why we are focusing on them. This has led us to:

- Define the Programme elements we currently use in the Programme and Budgeting documents and apply them consistently across all Funds;
- Reformulate the Programme and Budgeting documents to improve the clarity and transparency of the OSCE's work to participating States, emphasize the documents distinctive features, and elicit policy guidance from them.

## Why are we doing this?

The OSCE has been undergoing a period of transition. Many Field Missions, Institutions and Secretariat Units now find themselves increasingly focused on the provision of technical assistance and institution building, more tangible activities requiring more financial resources and enhanced internal management structures.

Furthermore, the OSCE is encountering increasing numbers of actors in its areas of activities, all competing for a finite amount of financial and human resources. If the OSCE wants to remain competitive, it must be able to demonstrate the efficiency and effectiveness of its structures without losing its flexibility.

## Why are we doing this now?

At the Brussels Ministerial Council participating States called for the work of the OSCE to be strengthened by improved multi-year planning and enhanced programmatic co-ordination in all OSCE Funds. To this end, the Secretary General was tasked to introduce Performance Based Programme Budgeting (MC.DEC18/06).

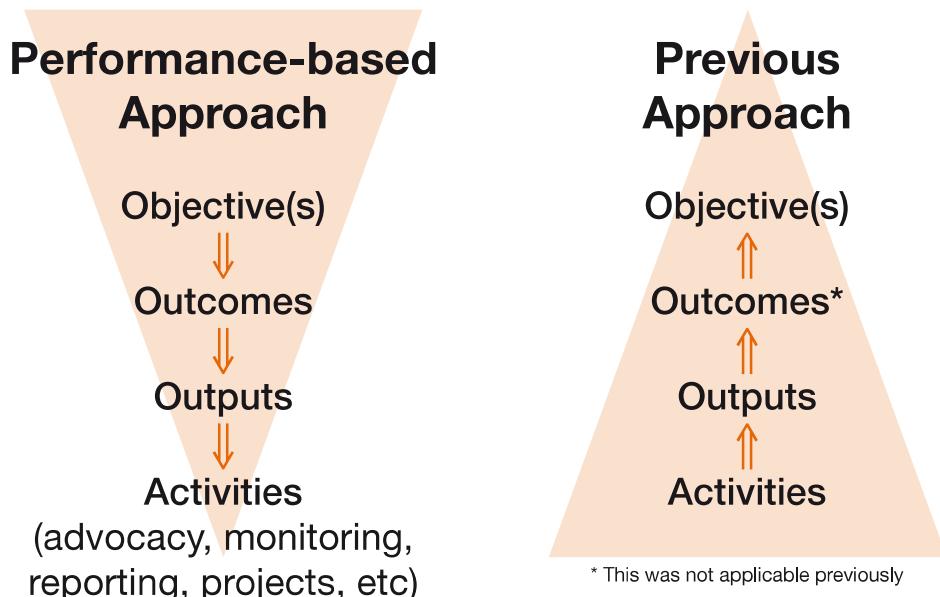
### The Concepts

The “performance based” part of PBPB refers to four performance elements:

- **Objective:** The end result a Programme intends to achieve over several years. Programme Objectives support Mandate implementation.
- **Outcome:** A result induced by OSCE Outputs. Although affected by outside factors the Outcome must be within reasonable influence of the OSCE. Outcomes must focus on the tangible change introduced by the Programme.
- **Indicator:** An element reflecting a quantitative or qualitative change that enables the assessment of the achievement of Programme Outcomes. The indicators are designed by the Fund Manager, limited in number and use information that is readily and easily available.
- **Output:** The specific product or service resulting from several OSCE activities over one Unified Budget cycle.

## How do these concepts relate to my Programme Planning?

These elements are the basic framework for building your Programme. PBPB is not an alien concept to many Funds and Programmes. The Logical Framework is currently used by many OSCE staff to formulate their projects. PBPB can be seen as an extension of this tool to the Programme level.



Like the Logical Framework for Project Management, PBPB focuses Programmes firstly on the results to be achieved - the Objectives - and then logically and coherently elaborates on the Outcomes and Outputs needed to achieve them.

Outcomes and Outcome level Performance Indicators provide Programme Managers and participating States with benchmarks to indicate progress towards the Objectives.



**Activities should be subservient to Objectives,**  
and should not dictate the Objectives  
Programmes are focused on achieving.

## An Orientation Guide

### Chapter 2:

## Planning your Programme – Practical suggestions

### Why Planning Your Programme Is Important

In the OSCE, Programmes serve as the main tool to translate the political will of the OSCE Permanent Council into action, meaning that:

- Every substantive activity you conduct is linked to individual Programmes designed to reach the overall goals of the Fund;
- All of the human and financial resources allotted to your Fund are assigned to individual Programmes.

**The importance of Programmes in the OSCE dictates that sufficient time is spent planning them.** The introduction of PBPB emphasizes greater focus and prioritization to achieve Programme results, and adequate planning is vital for this.

## How?

Each Field Mission, Institution and Secretariat Unit has differing roles, mandates and planning characteristics.



**No one model fits all**, and therefore the responsibility of creating the most optimal Programme planning structure rests with each Fund.

However you plan your Programme, it is important to firstly define your Objectives to ensure that your Programme strategy defines your Programme activities, and not vice versa.

The following examples are based on the practice of several Field Missions. They are designed to provide food-for-thought when deciding on how best to plan your own Programme.

## Strategic Planning Workshops – April

A performance based approach to programme planning always starts with the longer term Objective, and then works back to the short-term Outputs and activities. This is because your Programmatic activities should be subsidiary to the Programme Objectives you want to achieve.

At the beginning of the programme planning process, it is a logical first step for each Fund and Programme Manager to hold a Strategic Planning Workshop to ask, „In the current and forecast conditions of Mandate implementation, what should the Fund/Programme achieve in the medium term?“. By answering this question, Fund/Programme Managers should be able to set focused Objectives and Outcomes. Indeed, at this stage, Programme Managers should also attempt to formulate draft Outputs for internal planning management purposes.

The success of a Strategic Planning Workshop is dependent on all the participants being analytically prepared prior to the event. The most important element of this preparation is the establishment of a baseline for the situation the OSCE Fund or Programme currently operates in, as well as an assessment or characterisation of the problems or needs relevant to the OSCE mandate. This will lend clarity, detail and focus to the discussions, and can be done through a desk review - which incorporates an analysis of the main challenges faced in each Programmatic field – or through a series of background reports and food-for-thought papers.

The OSCE works with host governments, local and international partners as well as a network of complementary internal OSCE structures in nearly every sphere of its work. Effective planning can only be achieved by factoring in the work and views of other stakeholders. The attendance of Field Missions, Institutions or the Secretariat at Strategic Planning Workshops is a constructive way to enhance co-ordination.

It is equally important to consult with non-OSCE stakeholders. Consultations with the host government, other international and local partners prior to the Workshops are essential to form a context in which the OSCE's work fits into, and ultimately helps avoid replication.

Strategic Planning Workshops should:

- **Enhance Relevance:** Discuss the current and potential situation and challenges that need to be addressed by the OSCE Fund or Programme;
- **Improve Focus:** Set focused Objectives and Outcomes to be worked towards by the Fund and related Programmes for the following year or longer based on the situation and challenges that have been identified;
- **Increase Co-ordination:** Involve other relevant Field Missions, Institutions and Secretariat as appropriate.

Facilitators of Strategic Planning Workshops need to consider:

- What are the most relevant needs or challenges in the host country / thematic area that the OSCE needs to address?
- Are these needs short/medium/long term?
- What new needs or challenges could arise in the medium/long term?
- What is the desired future “end-state” the programme seeks to achieve?
- What are other non-OSCE stakeholders working on in this Programmatic / thematic area?
- What results does the OSCE want to achieve in this Programme / thematic area in the medium term (your Objectives)?
- How can gender equality best be promoted in the medium to long term Programme strategy?
- What results do the OSCE's partners, host country actors, implementing partners think the OSCE should work to achieve?
- Which OSCE actors are best placed to achieve those results?
- Does the Programme have sufficient support and projected resources to achieve the identified results?
- If the Programme consolidates its Objectives, will its effectiveness increase?
- What are the strategic plans of other major actors working in the same field?

Strategic Planning Workshops are ideally held in the Fund, but can also be hosted in Vienna, or in the context of a Regional Heads of Mission Meeting or thematic meeting.

## Programme Planning Workshops – July / August

In the Strategic Planning Workshops, Fund/Programme Managers set Objectives and Outcomes according to the medium-long term results they want to achieve. These may have been modified following the Programme Outline discussions with the Participating States. The next step is to operationalise them.

Prior to the formulation of the Unified Budget document, Fund/Programme Managers should reconvene with the relevant OSCE stakeholders for a Programme Planning Workshop and finalise the Outputs and tentative activities needed to achieve the set Outcomes and Objectives.

Consultations with implementing partners prior to the Workshop can provide activity ideas and allows the OSCE to gauge the implementation capacity of local partners. Consulting with other international actors prior to the workshop will also help the OSCE to avoid replicating the work of others. After the workshops, it is important to inform and consult the host government.

Programme Planning Workshops should:

- **Improve Relevance:** Elaborate on Outputs and activities to be achieved within the context of the Objectives and Outcomes set in the Strategic Planning Workshops;
- **Increase Co-ordination and Coherence:** Ensure the planned Programmatic activities reinforce, not duplicate, those of other Field Missions, Institutions and the Secretariat and assess the need for substantive support by other OSCE actors;
- **Enhance Effectiveness:** Decide which programmatic activities most effectively achieve the set Objectives and Outcomes.

Facilitators of Programme Planning Workshops need to consider:

- Have the Objectives or Outcomes formulated in the Strategic Planning Workshop changed?
- What Outputs should the Programme focus on in the short-term in order to make tangible progress towards the Objective and Outcome?
- How will your Output concretely influence the promotion of Gender Equality?
- If the Programme reduces those Outputs, will it increase its effectiveness in achieving the other Outputs?
- What programmatic activities are best suited to achieve those Outputs?
- What are the resource implications of these planned activities – are they feasible?
- Which OSCE actors are best placed to implement the planned activities?
- What is the capacity of local implementing partners?
- Do any of the planned activities overlap with those of other actors?
- Do the planned activities have a track record of effectiveness and efficiency?

## An Orientation Guide

### Chapter 3:

# Formulating your Programme

As mentioned in Chapter 1, the second important element of PBPB is to communicate to participating States more clearly the results our Programmes want to achieve. This is done through the:

- **Programme Outline - May**

- Programme Managers describe the issues they intend to address and;
- Outline their strategy - the Objectives and Outcomes – to address them.

- **Unified Budget – September**

- Fund Managers describe the general operational outlook in which they will implement their Unified Budget in the forthcoming year;
- Programme Managers formulate and elaborate upon the Outputs required to achieve their stated Objectives and Outcomes.

- **Programme Budget Performance Review – March**

- Programme Managers report on both progress towards achieving Objectives (i.e. against Outcomes and their related Indicators), and on their achievement of Outputs.

In order for participating States to understand, guide, and ultimately support Programmes, it is crucial to provide clear information and consistently apply the Programme elements.

The following section provides guidance when formulating your Programme and its constituent Objectives, Outcomes, Performance Indicators and Outputs.

When you formulate and review your programme, you should bear the following points in mind:

### **Evaluation of Performance: The OSCE Funds or Host Country?**

It is the OSCE Fund's performance that should be evaluated. You can ensure this by setting:

- Objectives within the influence of Programmes;
- Objectives that relate to the “end state” of what the OSCE action tries to achieve, and not the “end state” of the process it is involved in or contributing to;
- Outcomes to focus narrowly on what the Output’s contribution to a process is, rather than how other actors will take the Outcome forward.

### **Mandate to support a process and designing your Objectives, Outcomes and Performance Indicators**

When the Programme aims at supporting a process, Objectives, Outcomes and Performance Indicators should focus narrowly on the Fund’s role within that process, and not on the whole process.

### **Political Sensitivities and Performance Indicators**

There are different types of quantitative and qualitative Indicators. The main point is to ensure that they are verifiable. Hence, they can also indicate the mere presence (or absence) of change. Choosing an Indicator that is both relevant to your Outcome, politically non-sensitive and easily and readily available may require time and careful consideration.

### **Extra-Budgetary Projects and PBPB**

An extra-budgetary project must be consistent with your Programme’s Objectives and relevant to fulfilling the Fund’s mandate. The focus in the Programme Outline and the Unified Budget should not be on project activity, but on Programmes and how their respective Objectives and Outcomes are intended to achieve the Fund’s mandate over time. The resources requested in the Unified Budget Proposal are those which Fund Managers consider necessary to achieve the results being targeted with contributions from the 56 participating States. Extra-budgetary resources and project activities are required to be complementary to these and must contribute to the same.

### **Operational Flexibility and PBPB**

PBPB does not change the current level of flexibility. Should the conditions of your Programme implementation and its needs change, you can adapt your Programme accordingly. At the end of the Unified Budget cycle, the Programme Budget Performance Review allows Programme Managers to explain any modifications or deviations from your planned Outcomes, Indicators and Outputs.

## Objective – the end result a Programme intends to achieve over several years

**Explanation:** Supporting Fund mandate implementation, Objectives help to make programmes policy-driven by defining their direction. The Objective should reflect the OSCE's role and contribution.



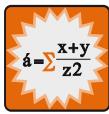
### Key Questions:

- What are the problems or issues the Programme needs to address?
- What is the programme's role and contribution?
- What is the longer-term purpose of the programme?
- What is the desired "end-state" the programme seeks to achieve?
- Does the Objective relate to the Fund Mandate?



### Rules of Thumb:

- Should relate to the "end-state" of OSCE involvement, not the broader end-state of the process the programme is involved in or contributing to;
- Should be stated in a longer-term perspective;
- Should be limited to as few as possible;
- Should refer to a target area or group whenever possible.



### Formulation:

- Formulate an affirmative sentence in present tense;
- Begin by using phrases to reflect the OSCE role, e.g.: "To promote; to contribute to; to improve; to support; to facilitate, etc".



### Examples:

- To support the government in establishing and maintaining open and secure borders;
- To promote the conditions necessary for sustainable economic development in the host country;
- To support the host country in effectively addressing threats to its environmental security;
- To promote the understanding and respect for human rights standards.

## Outcome – A result generated by OSCE Outputs

**Explanation:** A result generated by the completion of several Outputs, towards the achievement of an Objective. The Outcome should demonstrate the medium term impact of a programme's work. The Outcome must focus on the tangible change introduced by the OSCE Programme. This is done through describing what the beneficiary of the OSCE's work has been enabled to do. Although affected by outside factors, the Outcome should be within reasonable influence of the OSCE. Outcomes do not presume further action by the beneficiary.



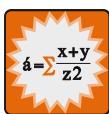
### Key Questions:

- What specific changes or impact needs to happen to the beneficiary in the medium term in order for the Programme to reach its Objective?
- Can the OSCE Programme reasonably expect to influence these changes?
- Does the change need involvement of other partners or resources?



### Rules of Thumb:

- Focus on what the Outputs enable the end-user to achieve, without assuming they have achieved it;
- Should be within the influence of the programme;
- Are the result of a number of Outputs;
- Whenever possible each Outcome should reflect the distinct strategy to be followed over time (e.g., capacity building, legal frameworks, awareness, etc);
- Should refer to a specific target area or group whenever possible.



### Formulation:

- Formulate an affirmative sentence in the present tense;
- Formulate a beneficiary-centric sentence. Focus on the change or impact on the beneficiary;
- Characterize the change the OSCE Outputs have enabled.



### Examples:

- The border guards services has enhanced capacity to develop and implement a national border management concept;
- Host state authorities have the proficiency to create economic governance conditions more conducive to economic development;
- The general public is aware of the environmental threats and responsibilities facing the country;
- Civil society and state actors have a better ability to address human rights issues.

## Indicator – An element reflecting a quantitative or qualitative change that enables the assessment of the achievement of Outcomes

**Explanation:** Indicators are used exclusively with Outcomes to verify whether or not the Outcome has been achieved. The indicators should be designed by the Fund Manager, limited in number, and use information that is readily available. Defining indicators is the most difficult part of the PBPB approach because it involves deciding how to measure progress and how to obtain the information.



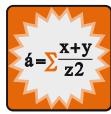
### Key Questions:

- How will you know the Outcome has been achieved?
- What would demonstrate the Outcome has been or is being achieved?
- Will the indicator demonstrate the Outcome has been accomplished?
- What evidence or information do you need to confirm that?
- What is the source of the evidence? How can it be obtained?



### Rules of Thumb:

- Are reflections of – not a substitute for – the intended Outcome;
- Should be directly linked to the Outcome;
- Should be formulated only after completing all of the Programme elements (Objectives, Outcomes and Outputs);
- Should be chosen and expressed in such a way as to allow a reasonable judgment to be made of the degree of success achieved;
- A combination of several indicators may be needed to demonstrate an Outcome has been achieved;
- Can be qualitative or quantitative;
- Are verifiable – make sure information or evidence can be obtained;
- For quantifiable indicators it is important to establish a baseline.



### Formulation:

- Be careful not to confuse an indicator for the intended Outcome;
- Make them clear and simple;
- Formulate units of measurement and set timeframes to the extent that it is possible;
- Focus on how qualitative change can be measured.

**Examples:**

- The border management concept is developed and informs all activities performed by border guards  
(Verified by: Border Management Concept document)
- Economic regulations reflect recognized good governance standards  
(Verified by: Evaluation Reports of the relevant economic regulations)
- Number of people within the catchments' area of Aarhus Centers  
(Verified by: Local authority population data / Civil registry data)
- Number of complains dealt with by the Ombudsman and other relevant recourse mechanisms.  
(Verified by: Records compiled by the relevant recourse mechanisms)

## Output – The specific product or service resulting from several OSCE activities over one Unified Budget cycle

**Explanation:** Outputs are directly derived from OSCE activities and resources deployed during programme implementation. They are the direct result of a combination of activities. Given the role the OSCE often plays and the nature of its mandates, Outputs can either be products or services.



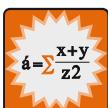
### Key Questions:

- What do you provide as a result of your activities?
- What specific services or product will your activities provide in any given budget year?
- Are the products or services (Outputs) broadly within the control of the OSCE Programme?
- Are the Outputs collectively capable of influencing achievement of the Outcomes?
- What products or services can the activities provide that would remove obstacles to achieving the Objective?
- Will a mix of products or services help change the situation?



### Rules of Thumb:

- Must be a logical and direct consequence of several activities;
- Need to have a consequence, i.e., lead to Outcomes over time;
- Are broadly within the control of the Programme, although may be affected by external factors;
- Are the results of several activities.



### Formulation:

- Make the Outputs specific and timely;
- Formulate a sentence in the present tense;
- *Illustrative* words include “provided, produced, expanded, undertaken, established, worked out, launched, administered, etc”.



### Examples:

- The capacity of border guards to undertake threat assessments at all green borders is increased;
- Good governance standards and implementation best practices are encouraged amongst national and local government actors;
- Access to environmental information for the general public is made possible;
- The establishment of Human Rights recourse mechanisms is facilitated.

# Reviewing Your Programme

After you have formulated your Programme, you can review it by asking the following questions:

- 1. Do the Programme Objectives flow from the Fund's mandate?**
- 2. Are the Objective(s) and Outcomes targeted as future results (not activities) to be achieved?**
- 3. Is there a logical link between the Objectives, Outcomes and Outputs?**
- 4. Are they stated in straightforward and easily understandable terms?**
- 5. Are they written sensitively to key stakeholders' concerns?**

## What Support is Available to Me?

DON'T PANIC!! No Programme Manager is expected to implement the performance based approach alone. In addition to the advice provided in this guide...

...**Working Tools** are available that provide simple and clear guidance on Programme concepts and how to apply them during Programme formulation.

...**Trained Facilitators** in each Fund are available to all Programme staff to explain the concept of Performance Based Programme Budgeting and assist in its practical application.

...**Secretariat Support** is available to all Fund and Programme Managers upon request. Conceptual and practical advice on the application of PBPB can be sought by e-mailing: pbpb-at@osce.org

...**On-site support** from the Secretariat to any Fund requiring assistance in planning and formulating their Programmes can also be provided upon request to: pbpb-at@osce.org

## An Orientation Guide

### Chapter 4:

## Responses to frequently asked questions

**1. *I am not a Fund or Programme Manager and so don't prepare the Programme Outline and the Unified Budget. Does the performance-based approach apply to me?***

Yes, it does. This is not just about preparing documents for participating States. It is also about how we think and go about doing our work as a team, and at all levels. As we think about what we are trying to achieve and use the performance based approach in making our individual and collective contributions, our efforts will then be more effective, efficient, and convincing. Everyone has a role in a performance-based approach so that all are contributing in a consistent way toward common results.

**2. *PBPB seems to involve a lot of work. Doesn't it take away from our real work?***

Strategic planning is an essential task of management which cannot be avoided. PBPB is however not adding a new task for managers but rather provides a tool to this end and standardises the approach OSCE wide. The initial effort of establishing Programme elements may involve some work. Once the Programme elements are well formulated, however, preparing the Programme Outline and the Unified Budget will take less time and involve less paper than it currently does. In fact, the process of developing the Programme elements is the basis for deciding what the "real" work is. One always has to ask: Is this activity leading us toward our longer-term Objective, or is it going to divert us and make us lose sight of what we should be doing? In this sense the performance-based approach keeps us thinking along these lines and should help us save time and efforts to focus our activities on the results we want to achieve in priority.

**3. *Why are we introducing something so new at a time when there is already a lot of "reform" and changes going on? Isn't there a danger of overloading the system and staff?***

A performance-based approach is not a new concept to OSCE, nor is it to Managers. At the project level, many staff are already using a comparable approach as they determine the most appropriate "results" to deal with the core problem. In addition, managers always perform strategic planning one way or another. Finally, at this point in time, it is a priority to strengthen the understanding between participating States and OSCE Funds. This starts with more clearly and carefully drafting Programme formulations for internal purposes, so they can then be reflected in external documents.

**4. *This is a different way of doing business and we don't have the skills or the resources to do it. How are we going to do this and who is going to help us?***

Thinking about things in a different way is an evolutionary process. Mostly it takes time through learning-by-doing. The early stages of identifying, agreeing on, and preparing well-formulated Objectives, Outcomes, and Outputs is a challenge that no one is expected to manage in the first few

months. To help, a set of support mechanisms and materials – starting with this Orientation Guide – are being made available. Facilitation teams will introduce the approach to help programme staff get started. They will then be available to help support the Funds as they continue their work.

Lastly, no programme manager is expected to implement the performance-based approach alone. It is best done in a team or collegial way; broader involvement of staff and other stakeholders will lead to faster agreement on targeted results and consistent implementation. This involvement, externally as well as internally, helps raise and resolve issues, better defines roles and relationships, and fosters better co-ordination of work among the various partners.

**5. *Aren't we setting ourselves up by promising results over which we have no control?***

Objectives and Outcomes are beyond our control, with various factors contributing to results, but not beyond our influence. Therefore we are not held responsible for them. However, the Guide speaks of practical ways to define the Outcomes and Objectives so they are *influenced* by programme Outputs. The Programme elements, including Objectives, Outcomes and Indicators, need to carefully reflect on the OSCE's capacity to influence the process.

**6. *If we are to focus on technical elements of Programmes, could the new format mean that the role and nature of the OSCE will be fundamentally changed from a political organization to a project driven development organization?***

OSCE activities, from political advice to project implementation, are instrumental to support participating States' political goals and this will not change. Better explanation of the expected results of our activities will not diminish the political nature of the Organization. All of this is reflected through the Unified Budget process which is the key management tool of the OSCE.

**7. *The UB process links the assessment stage with the budget stage. Could PBPB financially punish those who have “under-achieved” according to their performance indicators?***

No. The PBPB allows Programme Managers to state reasons why they were unable to fully achieve the Objectives and Outcomes they set themselves. These could include external factors, such as the impact of external events on the Programme's work.

All Fund and Programme Managers should nevertheless be accountable for their performance and actions. The point is that Outcomes and Indicators need to be carefully thought out taking into consideration the political environment we live in, and also making sure that the results we are aiming at are realistic and achievable for the OSCE Programme. By explaining better what Funds try to achieve and how they want to go about it, they can also strengthen their arguments for securing the resources they need.

## **8. Will the PBPR be taken seriously if it is the product of self-evaluation?**

Self-evaluation is only valuable if it is performed in good faith. No Programme will ever go exactly according to plan because there are many assumptions that have to be made during the planning and formulation phases. If participating States feel that a Programme has been evaluated in a superficial or overly positive manner they are unlikely to take it seriously. However, when conducted properly, Programme Managers are best placed to evaluate their own Programme. Programme Managers have the best understanding of what their Programme aims to achieve, why, and of the conditions under which the Programme was implemented.

## **9. Are Programme Managers personally responsible for achieving Objectives and Outcomes?**

A Programme Manager is responsible to the Fund Manager for assisting in the formulation of, and then implementing a Programme. It is therefore important that Programme Managers take time to plan their Objectives, Outcomes and Outputs properly. At the end of each Unified Budget cycle, Programme Managers will be asked to report on the progress they have made towards their Programme's Objectives, as well as the achievement of the planned Outputs. However, this is done in the name of the Fund, not of individuals, and PBPB does not link the achievement of a Programme's Objectives, Outcomes and Outputs being directly linked to the personal appraisal of the Programme Manager.

## **10. How can the integration of lessons learned in Programme implementation be reconciled with the Unified Budget cycle?**

The lessons learned during Programme implementation can be communicated to participating States in the PBPR. In this document, Programme Managers have the opportunity to elaborate on lessons learned and also suggest changes in their Programmes. Should those lessons learned be crucial for the effective implementation of the current Programme, the Programme Manager can propose to participating States – through the PBPR – to change the Programme immediately. If the lessons learned are important, but less time specific, they can be integrated into the Programme Outline for the following year.

## **11. Can Outcomes be changed every year?**

Outcomes are the results to be achieved in the medium term, and are therefore unlikely to change every year. However, if a Programme's Outcomes have been achieved, or the priorities of a Programme need to change to reflect changing conditions, then there is nothing to stop a Programme Manager from changing the Outcomes.

# **Handouts and Templates**

Performance Based Programme Budgeting | **PBPB**

# FORMULATING YOUR PROGRAMME ELEMENTS GUIDANCE & EXAMPLES

# Performance Based Programme Budgeting

# PROGRAMME FORMULATION AIDE MÉMOIRE

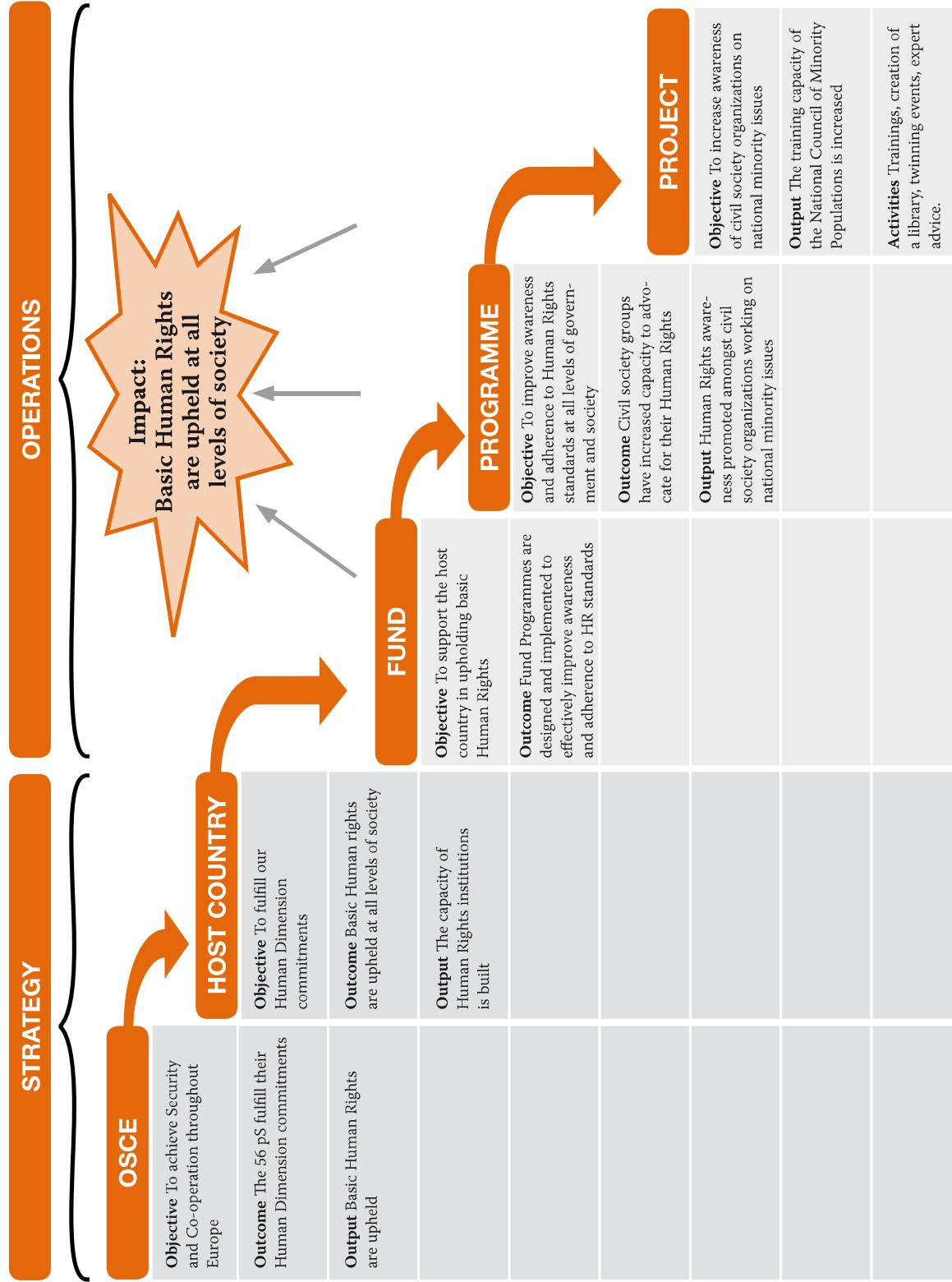
This aide m<émoire> aims to provide practical guidance on the formulation of Programme elements to all those involved in Programme and Budgeting planning and support.

The Performance Based Programme Budgeting process is designed to help Fund Managers and participating States focus on results and achievements rather than on resources needed and activities undertaken.

## RULES OF THUMB

- ✓ Co-ordinate Programmes with OSCE Institutions and Secretariat Units
- ✓ Ensure that Objectives, Outcomes and Outputs are coherent and logical
- ✓ Focus on a limited number of Objectives
- ✓ Consult with the host state on general Programmatic issues
- ✓ Set Objectives, Outcomes, Indicators and Outputs within the OSCE's control wherever possible
- ✓ Set Objectives and Outcomes in the medium term perspective when applicable
- ✓ Outputs have to be achievable within one year
- ✓ Try to focus on Programmes' technical aspects or processes rather than on their political aspects
- ✓ Set simple and achievable Indicators

| DEFINITION   | KEY CONSIDERATIONS  | SYNTAX   |
|--|---|--|
| <b>The end results a Programme intends to achieve over several years.</b>  | <ul style="list-style-type: none"> <li>&gt; Limit the number of Objectives to either a single one, or just a few.</li> <li>&gt; Objectives should relate to the end state of what the OSCE action tries to achieve, and not the end state of the process it is involved in or contributing to.</li> <li>&gt; For Programmes that encompass a whole dimension, Objectives should be set at the highest generic level.</li> <li>&gt; Objectives should be stated with a longer term perspective.</li> </ul> | <p>Formulate an affirmative sentence in the present tense.</p> <p>Begin by using phrases to reflect the OSCE role, e.g.: “to promote; to contribute to; to improve; to support; to facilitate; etc.”</p>       |
| <b>A result induced by OSCE Outputs.</b>   | <ul style="list-style-type: none"> <li>&gt; Outcomes should focus narrowly on what the Output's contribution to a process is, rather than how others will take the Outcome forward.</li> <li>&gt; Focus on what the host state gains from the OSCE Output, without prejudging what they will do with the OSCE Output.</li> </ul>  | <p>Formulate an affirmative sentence using the present tense.</p> <p>Focus on the change of the beneficiary.</p>   |
| <b>Element reflecting a quantitative or qualitative change that enables the assessment of the achievement of Programme Outcomes.</b> | <ul style="list-style-type: none"> <li>&gt; Indicators can be qualitative (judgments derived from subjective analysis of performance) or quantitative (measures of quantity derived from objective analysis of performance).</li> <li>&gt; Indicators must be a specified or predicted sign related to presence or absence of outcome.</li> <li>&gt; Indicators must be clear. Make sure data or evidence can be obtained.</li> </ul>   | <p>Focus on how qualitative or quantitative change can be measured.</p> <p>Illustrative phrases include: “measured by; verified by; observed by; etc.”</p>   |
| <b>The specific product or service resulting from several OSCE activities over one Unified Budget cycle.</b>                         | <ul style="list-style-type: none"> <li>&gt; Achieving an Outcome entails the production of Outputs.</li> <li>&gt; Outputs relate to the completion of the activities and are the type of result over which programme managers have a high degree of influence.</li> </ul>   | <p>Formulate a sentence using the present tense.</p> <p>Illustrative words include “provided, produced, expanded, undertaken, established, conducted, worked out, organized, launched, administered, etc.”</p> |



# OFFICE OF HEAD OF MISSION PROGRAMME

## MANAGEMENT

## OUTREACH

**OBJECTIVE**

To ensure that Programmes are implemented in accordance with the Missions mandate and adapted to the needs and situation in the country

**OUTCOME**

Programme Managers effectively plan and implement their activities in accordance with Programme Objectives

**POSSIBLE INDICATOR**

Programme Outline and Programme Reports receive positive feedback from pS, including the Host Country.

**OUTPUT**

Policy and strategic guidance is given to Programme Managers on the planning, formulation and implementation of their Programmes

**POSSIBLE ACTIVITIES**

- Conducting Programme Planning Workshops
- Holding regular Programme implementation meetings with Programme Managers
- Conducting meetings with state and non-state partners to facilitate Programme implementation

**OBJECTIVE**

To increase public and political support for OSCE commitments and the work of the OSCE Mission

**OUTCOME**

The general public and host state authorities are aware of the goals and activities of the Mission

**POSSIBLE INDICATOR**

New Programme Managers can build on previous trusted relationships with Government counterparts

**OUTPUT**

OSCE commitments are espoused to the general public and state authorities on a regular basis

**POSSIBLE ACTIVITIES**

- Regular meetings with Government representatives
- Producing and distributing OSCE literature in the state language(s)
- Holding interviews with national and local media
- Giving regular presentations to University students on the OSCE and its commitments

# POLITICO-MILITARY DIMENSION PROGRAMME (Field Operation)

## SALW & CA

**OBJECTIVE**

To support the host country in reducing the risks stemming from the illegal proliferation and destabilizing accumulation of SALW and conventional ammunition

**OUTCOME**

The MoD has enhanced capacities to manage stockpiles of SALW and conventional ammunition in a safe and secure manner

**POSSIBLE INDICATOR**

Technical assessments and recommendations according to OSCE best practices have been made by host country experts on the storage conditions

**OUTPUT**

➤ The development and finalization of regulations and procedures for safe and secure stockpiles management is supported

➤ The operational capacity of EOD teams to destroy excess stockpiles is increased

**POSSIBLE ACTIVITIES**

➤ Providing experts to the MoD on SALW stockpiling

➤ Organising a study visit to another OSCE participating State for MoD officials to view SALW stockpiling practices

➤ Training MOD staff on the OSCE's SALW and CA best practice handbook

**OBJECTIVE**

To support the government in establishing and maintaining open and secure borders

**OUTCOME**

The border guards services has enhanced capacity to develop and implement a national border management concept

**POSSIBLE INDICATOR**

The border management concept is developed and informs all activities performed by border guards

**OUTPUT**

➤ The capacity of border guards to undertake threat assessments at all green borders is increased

➤ The capacity of customs officers at all green borders to verify cargo in line with regional transit agreements is increased

**POSSIBLE ACTIVITIES**

➤ Organizing a study visit to another OSCE participating State for senior border guards to view integrated border management techniques in practice

➤ Expert advice by panel of border experts from various OSCE pS

## BORDER MANAGEMENT

# ECONOMIC PROGRAMME (Field Operation)

## GOOD GOVERNANCE

### OBJECTIVE

To promote the conditions necessary for sustainable economic development in the host country

### OUTCOME

Host state authorities have the proficiency to create economic governance conditions more conducive to economic development

### POSSIBLE INDICATOR

Economic regulations reflect recognized good governance standards

### OUTPUT

Good governance standards and implementation best practices are encouraged amongst national and local government actors

### POSSIBLE ACTIVITIES

- Translation of OCEEA Good Governance Handbook into the State language
- Holding a series of good governance seminars for the senior management of local authorities
- Seconding experts on good governance issues to advise the Ministry of Economy

## ECONOMIC DEVELOPMENT

### OBJECTIVE

To promote local economic development

### OUTCOME

Citizens in target municipalities have the expertise to identify and exploit business opportunities

### POSSIBLE INDICATOR

Percentage of recipients of OSCE-sponsored training owning their own business

### OUTPUT

Business administration skills are enhanced among young people in target municipalities

### POSSIBLE ACTIVITIES

- Training for school leavers in two municipalities on basic business administration
- Revising business and management curricula for secondary school students
- Advanced business administration training for young business owners

# ENVIRONMENTAL PROGRAMME (Field Operation)

## ENVIRONMENTAL LEGISLATION

### OBJECTIVE

To assist the host country in the development and implementation of sustainable environmental policies

### OUTCOME

The Parliament's Environmental Committee has increased capacity to review environmental legislation in light of international best practice

### POSSIBLE INDICATOR

Draft environmental legislation in the host country has the adequate provisions to address threats to environmental security

### OUTPUT

The ratification of international environmental treaties and commitments is promoted

### POSSIBLE ACTIVITIES

- Translation and publication of key environmental treaties and commitments into the state language
- Providing legislation drafting expertise to the Ministry of Environment
- Lobbying the Cabinet of Ministers, Ministry of Environment and political parties to ratify environmental legislation

## ENVIRONMENTAL AWARENESS

### OBJECTIVE

To support the host country in effectively addressing threats to its environmental security

### OUTCOME

The general public is aware of the environmental threats and responsibilities facing the country

### POSSIBLE INDICATORS

Number of people reached through environmental awareness raising  
Number of people within the catchments' area of Aarhus Centers

### OUTPUT

Access to environmental information for the general public is made possible

### POSSIBLE ACTIVITIES

- Establishment and support of Aarhus Centres
- Training for Ministry of Environment officials on Tajik freedom of information laws and their practical application
- Leaflets are produced informing Civil Society and Community groups on their rights to access environmental information

# HUMAN DIMENSION PROGRAMME (Field Operation)

## INSTITUTION BUILDING

## HUMAN RIGHTS

**OBJECTIVE**

To support the development of inclusive and transparent state structures

**OUTCOME**

There is increased public confidence and participation in the work of state structures

**POSSIBLE INDICATOR**

Number of functioning forums to allow for public participation in each targeted state structure

**OUTPUT**

Societal dialogue in the Parliamentary reform process is facilitated

**POSSIBLE ACTIVITIES**

- Network to disseminate draft laws established
- Conducting media campaigns on legislation reform
- Establishing a regular forum where Parliamentarians and Civil Society representatives can discuss legislative reform issues
- Raising human rights cases with national and local government officials

**OBJECTIVE**

To promote the understanding and respect for human rights standards

**OUTCOME**

Civil society and state actors have a better ability to address human rights issues

**POSSIBLE INDICATOR**

Number of complaints dealt with by the Ombudsman and other relevant recourse mechanisms

**OUTPUT**

The establishment of Human rights recourse mechanisms is facilitated

**POSSIBLE ACTIVITIES**

- Providing free legal consultations on human rights complaints
- Establishing a consultative mechanism for Civil Society to discuss HR issues with the Government authorities

# THEMATIC UNIT PROGRAMME (Secretariat)

## POLICE

## ANTI-TERRORISM

### OBJECTIVE

To facilitate the effective and timely implementation of OSCE police assistance activities by Field Operations

### OUTCOME

OSCE Field Operations use tried and tested approaches to improve the effectiveness of their police assistance activities

### POSSIBLE INDICATOR

Reports from Field Operations reflect lessons learned regarding programmatic activity.

### OUTPUT

Ongoing OSCE police assistance activities are analyzed and best practices disseminated

### POSSIBLE ACTIVITIES

- Conducting an evaluation of all OSCE police assistance activities
- Holding a roundtable event with policing focal points on community policing best practices
- Compiling a series of handbooks on best practices on a variety of policing topics
- Draft food-for-thought and concept papers

### OBJECTIVE

To support participating States in meeting OSCE commitments related to anti-terrorism.

### OUTCOME

OSCE decision-making bodies take into consideration new trends and characteristics in the fight against terrorism

### POSSIBLE INDICATOR

Debates on anti-terrorism issues reflect advice given by the thematic unit.

### OUTPUT

New terrorist threats relevant to the OSCE area are analyzed and communicated to decision-making bodies.

### POSSIBLE ACTIVITIES

- Conducting research on new trends and evolving characteristics of terrorism
- Maintaining an overview of OSCE and international efforts to combat terrorism
- Holding regular consultations with leading academics, political and military figures on terrorism issues
- Provide expert advice to pS

# THEMATIC UNIT PROGRAMME (Institution)

## TOLERANCE AND NON-DISCRIMINATION

### OBJECTIVE

To support participating States' efforts to address issues of tolerance and non-discrimination in the OSCE area

### OUTCOME

Participating States are better able to monitor and report on hate motivated crimes

### POSSIBLE INDICATOR

Establishment and strengthening of networks of legal and technical experts which facilitate information-gathering

### OUTPUT

The ability of authorities and civil society to collect and maintain reliable information and statistics about hate crimes is facilitated

### POSSIBLE ACTIVITIES

- Organization of training seminars and networking opportunities for civil society representatives
- Maintaining a regional network of hate crime law enforcement experts and developing on-line tools and mechanisms to facilitate the sharing of intelligence and practices

# THEMATIC UNIT PROGRAMME (Institution)

## ELECTIONS

### OBJECTIVE

To support OSCE participating States to conduct elections in accordance with OSCE commitments

### OUTCOME

Requesting participating States have increased capacity to draft election legislation in line with OSCE commitments

### POSSIBLE INDICATOR

New election legislation introduced to Parliament is assessed to be closer in line with OSCE commitments

### OUTPUT

Legal assistance is provided to participating States on election legislation reform

### POSSIBLE ACTIVITIES

- Seconding legal experts train domestic experts in the drafting of election legislation
- Conducting reviews and assessments of existing and new electoral legislation
- Providing advice on electoral legislation best practices

# FUND ADMINISTRATION UNIT PROGRAMME

## OBJECTIVE 1

To support the continuous improvement of the effective and efficient management of the OSCE resources

### OUTCOME 1.1

Fund and Programme Managers implement their Programmes in compliance with the Common Regulatory Management System (CRMS)

#### POSSIBLE INDICATORS

- Lower number of exception reports submitted
- Standard Agreements/Contract templates are used by Programme/Project Managers, where appropriate

#### OUTPUT 1.1.1

Operations support and guidance in administrative issues is provided for financial, ICT, human resources and material management services

#### OUTPUT 1.1.2

Managers are aware of the OSCE Common Regulatory Management System (CRMS) and IRMA

### OUTCOME 1.2

The administrative work of Programme Managers is facilitated and optimized in an efficient and timely manner

#### POSSIBLE INDICATORS

- Extent of usage of electronic management system
- Timeliness and accuracy of information provided to Fund/Programme Managers
- Usage of system tracking/reporting or analytical tools
- Reporting tools meet the requirements of Programme Managers

#### OUTPUT 1.2.1

Administrative processes and procedures are reviewed and adapted to the operational environment

#### OUTPUT 1.2.2

FAU work process lead time is minimized and resources stabilized

# Reviewing Your Programmes

## A Checklist for Reviewing Objectives, Outcomes, Indicators & Outputs

This checklist provides Programme Managers with a set of questions designed to facilitate the formulation of coherent and consistent Programmes. Part I defines each element of your programme and poses questions to facilitate their formulation. Part II suggests broader questions that will help you review your Programme both during and after its formulation. Overleaf, the full definitions of key Programme elements are provided to allow Programme Managers to better understand and apply them during Programme formulation.

# DEFINITIONS OF PROGRAMME ELEMENTS

## Objective

The end result a Programme intends to achieve over several years. Programme Objectives support Mandate implementation. They should be formulated to reflect the Programme's role and contribution.

## Outcome

A result induced by OSCE Outputs. It is a desired intermediate step between the completion of Outputs and the achievement of Objectives. Although affected by outside factors, the Outcome must be within reasonable influence of the OSCE. Outcomes do not prejudge on further action by the beneficiary (participating States) but rather focus on the tangible change introduced by the Programme.

## Indicator

Element reflecting a quantitative or qualitative change that enables the assessment of the achievement of Programme Outcomes. The indicators are designed by the Fund Manager, limited in number, and use information that is readily and easily available.

## Output

The specific product or service resulting from several OSCE activities over one Unified Budget cycle. Outputs should be defined in such a way not to list specific activities.

## Part I: Specific Questions

**Objectives** are the end results a Programme intends to achieve over several years. Does the Objective(s):

- a. Reflect the programme's role and contribution?
- b. Focus on the end-results the OSCE Programme seeks to achieve (and not the broader Objective to be achieved by the beneficiary)?
- c. Stated with a longer term perspective?
- d. Can multiple Objectives be consolidated?

**Outcomes** are the results induced by OSCE Outputs.

Do the Outcomes:

- a. Focus on what programme Outputs enable the end-user to achieve, without assuming they have achieved it?
- b. Reflect a multi-year perspective?
- c. Reflect what is reasonably within the influence of the OSCE?

**Indicators** are elements reflecting a quantitative or qualitative change that enables the assessment of the achievement of Programme Outcomes. Are the Performance Indicators:

- a. Specific signals that show the Outcome has or has not happened?
- b. A reflection of (but not a substitute for) the intended Outcome?
- c. A practical basis to monitor progress and help report accomplishments?
- d. Verifiable (e.g., is the data or information available)?

**Outputs** are the specific products or services resulting from several OSCE activities over one Unified Budget cycle. Are the Outputs:

- a. Within the control of the programme?
- b. Results from several programme activities?
- c. Capable of collectively achieving the Outcomes?

## Part II: Reviewing Questions – Do the Programme elements:

1. Flow from the central purpose (mandate) of the entity (Mission, Institution, Unit)?
2. Target Objective(s) & Outcomes as future results (not activities) to be attained?
3. Show logical consistency among the three levels (i.e., reflect “cause-effect” linkages)?
4. Convey in straightforward and easily understandable terms?
5. Reflect sensitivity to key stakeholders’ concerns?

# THE PROGRAMME OUTLINE SHOULD:

- Communicate how a Fund Manager intends to operationalise their mandate
- Analyse the issues the OSCE propose to address and present a strategy for tackling them, taking into account the different needs of and impact on women and men
- Solicit policy guidance from participating States on the strategies chosen by each Programme and collectively by the Fund
- Inform the participating States of the approximate overall resources required by the Fund to implement those Programme strategies
- Be short, concise and to the point

# THE PROGRAMME OUTLINE SHOULD NOT:

- Include information on additional human, financial or administrative resources required. General information can be provided if there are major shifts in resource requirements
- Elaborate on individual activities to be conducted in the course of the Programme implementation

# MISSION TO ZOR

| Overview of Annual Resource Requirements (EUR) |           |           |           |                    |
|--|-----------|-----------|-----------|--------------------|
|  | 2005      | 2006      | 2007      | 2006/2007 % Change |
| Unified Budget                                 | 4,000,000 | 4,300,000 | 4,300,000 | 0%                 |

In its decision the OSCE Permanent Council provided for a comprehensive mandate to support the Government of ZOR. The areas where ZOR is requesting assistance are the politico-military dimension, economic and environmental dimension and human dimension, with particular attention being paid to economic issues in rural areas and national minority issues in the West of Zor.

## MANDATE

## PROGRAMME STRATEGIES

### Category: B.2 Economic and Environmental Dimension

#### Programme: Environmental Activities

##### Strategic Plan

Zor suffers from a wide range of environmental problems, which are having an increasingly negative impact on the economic and physical wellbeing of the population, both in urban and rural areas. Deforestation and water pollution are the most pressing concerns. Deforestation is particularly acute and is a direct consequence of the poor socio-economic conditions of the population in affected areas. This has ingratiated a vicious circle: people regularly cut down trees to provide for basic living needs, which causes increased soil erosion, with subsequent frequent landslides that further damage an already poor economy, seriously damaging local agriculture and causing human casualties. In 2006 landslides killed 120 people and left a further 4,000 homeless, causing an estimated EUR 100 million in damage to property and businesses. Similarly, severe water pollution caused through a mixture of unregulated industrial, domestic and agricultural practices is having a significant impact on human health and local ecosystems. Water pollution in the Southern regions has resulted in the unavailability of potable water, reduced biodiversity, soil degradation and an increase in internal economic migration to urban areas. An accentuating factor is the lack of domestic capacity or basic understanding to address these problems. The Zor government has neither the capacities to neither draft new comprehensive environmental legislation nor implement existing laws related to the problems. Similarly, non-state actors in Zor are limited in their effectiveness by a lack of technical skills and outreach capacity.

The Mission proposes to tackle these problems by firstly enhancing government and public knowledge about deforestation and water pollution. Without fully understanding the severity of the environmental threat and their environmental responsibilities, neither is likely to take affirmative action. A second element will seek to enhance Zor's capacity to address deforestation and water pollution. Initially, this will be done by supporting Zor in establishing relevant and effective legislation to combat both of these problems. Civil society input into the law drafting will also be promoted. The programme will then focus on fostering the technical capacity of government and non-governmental actors to practically address water pollution and deforestation taking into consideration the different needs of women and men. This Programme's focus on both deforestation and water pollution complements the Mission's other priorities of addressing rural poverty and internal economic migration.

The OSCE is well placed to assist Zor in addressing deforestation and water pollution issues. In 2005 and 2006 the Mission conducted an in-depth study into water pollution in conjunction with the Ministry of Environment. The findings from this study will form the basis for both the OSCE's programme in future years, but also the government's actions. As a follow up to this, the Mission is working with the Ministry of Environment in 2007 to formulate the National Action Plan on Water Pollution, which targets the illegal dumping of waste by industrial and agricultural actors. It is foreseen that the National Action Plan will be implemented solely by the government. Since 2004 the Mission has been monitoring the effects of deforestation, through its field offices. This has given the OSCE unique first hand information on the issue over a prolonged period of time. The findings of that monitoring scheme will be used in the formulation of activities under this programme. The Mission's good working relations with the Ministry of Environment, local authorities, civil society partners and its network of offices will facilitate Programme implementation. The OSCE programme complements the Ministry of Environment's National Action Plan on Water Pollution. A UNDP/UNICEF river monitoring scheme in Southern Zor will feed into the OSCE's programme. The Zor government is also planning a National Strategy on Rural Poverty Reduction, to be published in 2008, which in the long term will compliment efforts to reduce deforestation.

The ultimate effectiveness of the Programme will depend on a number of factors. Of crucial importance is the sustained political will of the national and local authorities to address environmental security as a key security issue.

#### OBJECTIVE 1: TO SUPPORT ZOR IN EFFECTIVELY ADDRESSING THREATS TO ITS ENVIRONMENTAL SECURITY

- Outcome 1.1: The general public are aware of the environmental threats and responsibilities facing Zor
- Outcome 1.2: Government and civil society actors have the legislative capacity to address environmental issues in an effective and co-operative manner



As in previous years, provide a comprehensive summary of the Fund's mandate

Do not summarise the information provided in the Programme strategies section here



Analyse the problem(s) the Programme proposes to address  
State why the OSCE should address those problems



Characterise how the OSCE will address those problems in the medium-long term and explain how the Programme's strategy might evolve in the medium-long term



Reflect the differential impact of your plans on women and men  
Explain why Fund/Programmes have decided to select the proposed Objectives and Outcomes



Include information on previous OSCE work on the issue if relevant  
Mention any complementary Programmes being conducted or planned by the host government, other international organizations, or civil society actors



Outline the long and medium term results the Programme pursues. By reading this chart, readers should have a good understanding of what the Programme is about

# THE UNIFIED BUDGET SHOULD:

- Communicate how a Fund Manager intends to translate their mandate and the political guidance received from participating States into operational plans
- Build on the strategic medium-long term information provided in the Programme Outline and elaborate on how these will be operationalised for one Budget year (through Outputs)
- Demonstrate a clear link between the long term Objectives, medium term Outcomes and annual Outputs
- Reflect how your Programme Outputs contribute to the promotion of Gender Equality
- Detail the financial and human resources required to achieve each Programme's operational strategy in one Budget year

# THE UNIFIED BUDGET SHOULD NOT:

- Elaborate on individual projects or activities to be conducted in the course of Programme implementation
- Introduce any significant Programme changes as compared to the Programme Outline, unless requested by pS or conditions of implementation have changed

## PROGRAMME CHARTS

### Category: B.2 Economic and Environmental Dimension

#### Programme: Environmental Activities

##### OBJECTIVE 1: TO SUPPORT ZOR IN EFFECTIVELY ADDRESSING THREATS TO ITS ENVIRONMENTAL SECURITY

**Outcome 1.1:** The general public are aware of the environmental threats and responsibilities facing Zor

**Output 1.1.1:** Access to environmental information for the general public is facilitated

An important step in making the general public aware of the environmental threats is to provide them with access to the relevant environmental information. In accordance with the "OSCE Strategy Document for the economic and environmental dimension" (MC.DEC 11/03), the Mission will continue to provide administrative and legal support to the existing Aarhus Centre, and will facilitate the opening of two new Aarhus Centres in the Northern and Southern regions of Zor. The effectiveness of these Centres will be enhanced by OSCE training for Ministry of Environment officials on Zor freedom of information laws and their practical application. Awareness raising schemes will also be implemented to inform Civil Society and Community groups on their rights to access environmental information and to inform them on the problems caused by water pollution and deforestation. Particular attention will be placed on two target groups; young women and men, and those living in the Southern regions of Zor, where water pollution is an acute problem. The Mission will work closely with the Ministries of Education and Environment to formulate and implement better academic exposure to environmental issues for all secondary school children.

**Outcome 2.1:** State and non-state actors have the legislative capacity to address environmental issues in an effective and co-operative manner

**Output 2.1.1:** Co-operation and co-ordination between Civil Society and Governmental bodies on environmental issues is facilitated

A solid legal basis is the foundation for any meaningful governmental and non-governmental efforts to address Zor's environmental problems, especially deforestation and water pollution. During the drafting of new environmental legislation, the Mission will establish regular consultative and information sharing mechanisms to ensure that new legislation benefits from the unique expertise provided by both the government and Civil Society. Input from both national and regional state and non-state actors will be exchanged through these mechanisms.

**Output 2.2.1:** The legal capacity of Zor's government to formulate deforestation and water pollution strategies is increased

The Mission will support the Ministry of Environment during the formulation of legislation that will form the cornerstone for the elaboration and implementation of Zor's national strategies on both issues. Legal expertise will be provided, and the Ministry of Environment will be exposed to environmental legislation best practices and examples from other OSCE Participating States.

#### Description of Budget Changes

The Programme's proposed budget for 2008 will increase slightly. This is primarily due to the one off costs associated with opening two new Aarhus Centres. Additional travel expenditure is also foreseen for awareness raising campaigns, which will entail extensive internal travel around Zor throughout the year. The refocusing of the Programme in 2008 will lead to a reduction of EUR 10,000 in consultancy costs. The relatively new and efficient IT and communication now in place in the Mission will result in savings of EUR 5,000 in IT Services and EUR 6,000 in Communication Services. The proposed Programme will be implemented with no additional human resources.



Outline the short term results the Programme will achieve within one budget year, which will contribute to the long and medium term results the Programme pursues

If relevant, cite any specific Permanent Council or Ministerial Council decisions to justify the Output. A thematic overview of relevant decisions can be found on the PBB Doc.In site

State how the promotion of gender equality is inherent to the transformation your Output aims to achieve



Characterise how the OSCE will achieve each Output, without elaborating on the details of each activity to be conducted



Elaborate here on any requested increases or decreases in human and financial resources

# THE PBPR SHOULD:

- Communicate to participating States the progress each Programme has made in achieving its set Outcomes and Outputs
- Convey to participating States the conditions in which the Fund implemented its Programmes; possibly suggesting modifications to Programme strategies
- Assess how the progress and/or achievements contributed to the promotion of Gender Equality
- Inform participating States on the utilisation of Financial and Human Resources allocated to each Programme
- Act as a final summary of the monitoring and self-evaluation of a Programme throughout its year of implementation
- Be short, concise and to the point

# THE PBPR SHOULD NOT:

- Be a list of projects that have been implemented

# MISSION TO ZOR

## Summary Annual Resource Requirements (EUR)

| Main Programme               | Financial Resources*   |                         |                | Human Resources** |  |
|------------------------------|------------------------|-------------------------|----------------|-------------------|--|
|                              | 2008 Revised Resources | Resources Utilization % | 2008 Positions | Utilization %     |  |
| Office of Head of Mission    | 1,013,000              | 98%                     | 24             | 100%              |  |
| Fund Administration Unit     | 354,900                | 100%                    | 12             | 100%              |  |
| Common Operational Costs     | —                      | 94%                     | —              | n/a               |  |
| Politico-Military Activities | 523,400                | 99%                     | 6              | 100%              |  |
| Environmental Activities     | 300,500                | 85%                     | 6              | 100%              |  |
| Economic Activities          | 345,000                | 87%                     | 5              | 100%              |  |
| Human Dimension Activities   | 566,500                | 91%                     | 6              | 100%              |  |
| Police Reform Programme      | 1,148,100              | 97%                     | 72             | 100%              |  |
|                              | 4,209,900              | 93%                     |                |                   |  |

## OVERALL CONSTRAINTS AND LESSONS LEARNED

The March 2008 events in Zor had a significant impact on the Mission's programme. The rapid changes in the political situation led to a review of the ZOR working programme, a strengthening of its human resource and operational capacity and a clear focus in addressing security concerns resulting from the new situation. The main goal was to assist ZOR in stabilizing the political situation of the country through a consequent support to the institutions most relevant for all aspects of political, economic and institutional stability. The Mission continued its coordinating function with the authorities concerned.

## PROGRESS TOWARDS OBJECTIVES

### Category: B.2 Economic and Environmental Dimension Programme: Environmental Activities

#### OBJECTIVE 1: TO SUPPORT ZOR IN EFFECTIVELY ADDRESSING THREATS TO ITS ENVIRONMENTAL SECURITY

##### Outcome 1.1: The general public are aware of the environmental threats and responsibilities facing Zor

2008 provided a solid basis on which to progress towards the programme Outcome. Whilst the political events of 2008 did disrupt the Programme's Outputs to a small extent, these can be reintegrated in the 2010 Programme Outline. By 2010 the main awareness raising aspect of the Outcome should be sufficiently completed, and the Outcome's attention will shift to promoting both state and citizens to act in accordance with their environmental responsibilities.

##### Output 1.1.1: Access to environmental information for the general public is facilitated

Access to environmental information was partially facilitated during the year of implementation. The political unrest in March 2008 led to, among others, the resignation of the Minister of Environment and difficult working conditions in the North of the country. However, the general public was able to gain better access to environmental information through the opening of a new Aarhus Centre in Southern Zor. An existing Aarhus Centre located in the middle of Zor was also expanded, to provide the population with a wider range of environmental information. However, due to the political disturbances in March 2008 in that locality, a planned Aarhus Centre in Northern Zor had to be cancelled. Training courses for Ministry of Environment officials on the Zor freedom of information laws were conducted throughout the year. However, their practical application by the trainees was inhibited by the administrative disruption caused by the March events and unwillingness of some senior civil servants to provide information in the absence of a Minister of Environment. Awareness raising schemes successfully targeted the main environmental groups, including women NGOs, and resulted in them more actively requesting environmental information, both through the Aarhus Centres and directly with the Ministry of Environment.



Summarise the financial and human resources available during the year of Programme implementation, and provide the respective utilisation rates (automatically generated in Oracle)



At the Fund level, assess the conditions in which the Programmes were implemented

This could include political, administrative, financial or personnel constraints

It could also include factors that positively affected the overall implementation of the Fund's Programmes

Highlight any lessons learned from the year of Programme implementation that need to be taken into account by all Programmes in the future



Report on the progress towards achieving the medium-term Outcomes

Assess whether the Programme is still on course to achieve those Outcomes, mentioning any potential changes that have to be made to the Programme



Mention the achievements that constituted the fulfilment of the Output

Within the broader target group, assess if the needs of women and men are met

Include elements of the Output that were not fulfilled, and explain why

# Template for Programme elements definition

Fund:

Programme Name:

**OBJECTIVE No.**

**OUTCOME 1**

**INDICATOR**

**OUTPUTS**

**OUTCOME 2**

**INDICATOR**

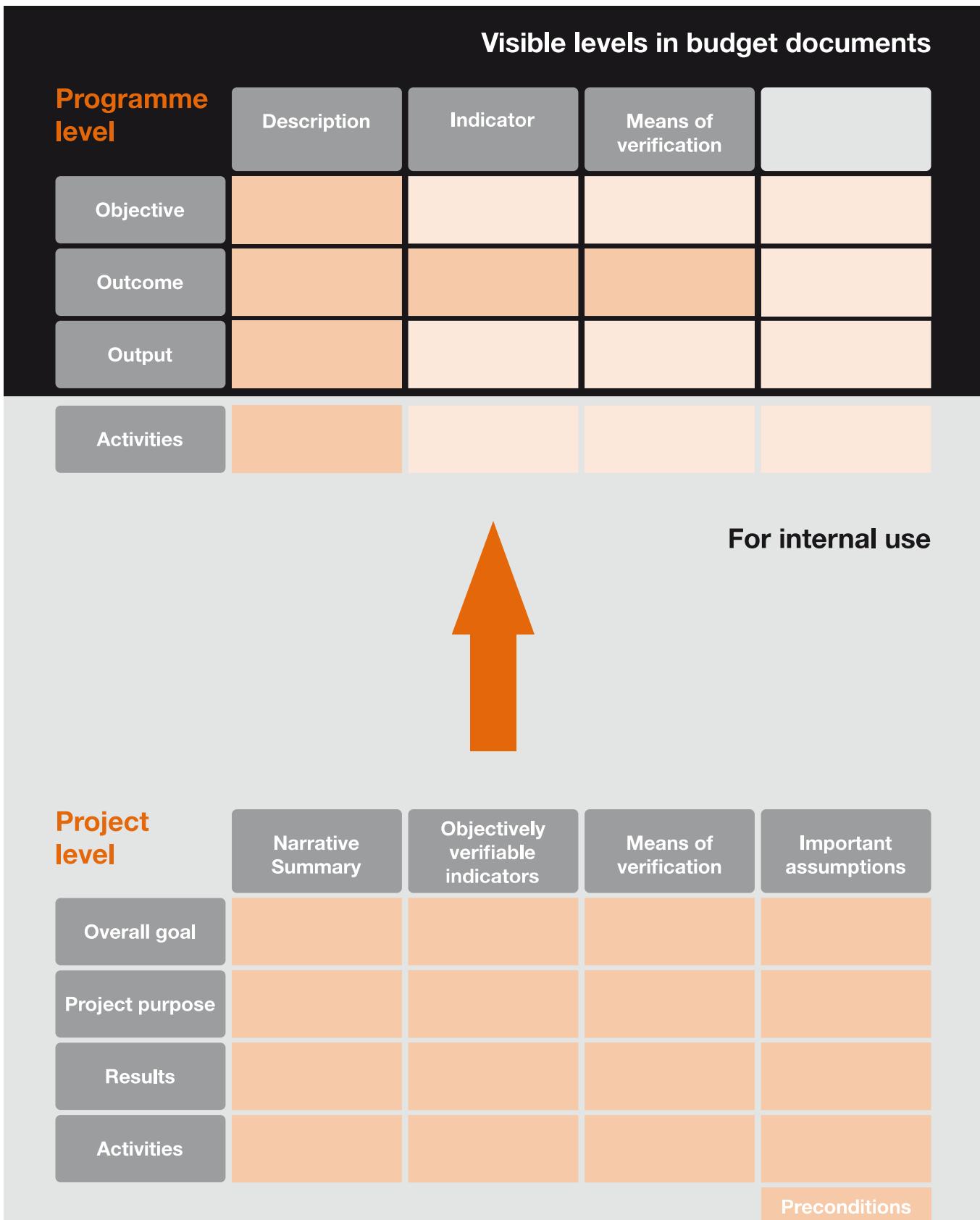
**OUTPUTS**

**OUTCOME 3**

**INDICATOR**

**OUTPUTS**

# Programme and project logframes



# PBPB SITUATIONS, ISSUES & QUESTIONS TO ANTICIPATE

## For Facilitators, Trainers & Reviewers

Facilitators, trainers and reviewers will encounter a variety of situations, issues and questions during the roll-out of PBPB. The following guidance notes will help you address these in a consistent, constructive and hopefully satisfactory manner. Whatever response is agreed upon it is important for facilitation team members to be consistent. If you don't know the answer, say so to maintain credibility.

### Situations - What do you do if ...

*A Programme Manager from a Mission you are visiting next week calls you and asks what they might do to prepare. What would you say?*

- A. Send the Programme Manager PBPB literature to brief them on the approach. This should include the PBPB Blueprint and the PBPB Orientation Guide.
- B. Ask the Programme Manager and their team to review their previous Programme Outlines and Unified Budget documents.
- C. Ask the Programme Manager and their team to think about three questions:
  - What they want to achieve in their programme;
  - Whether the current activities and outputs are contributing to that achievement;
  - Whether OSCE can address, on its own or with others (host country, implementing partners), the problem or need their programme is trying to address.

*Programme staff have not engaged in programme planning and formulation before. They are unable to answer basic questions such as “What is the need or problems you are responding to?” How do you deal with this?*

In exceptional circumstances, Programmes can be planned and formulated from the bottom up. Firstly, it is important to ascertain from the Programme staff what activities (projects, advocacy, lobbying, monitoring, etc) they are doing, or plan to do in their Programme. Write these down and then attempt to cluster them according to thematic / substantive areas. From each cluster it should be possible to formulate Outputs, followed by Outcomes and Objectives. This will provide you with a basis to start reviewing the Programme from the top-down.

***Staff are skeptical and keep asking to see an example that is “relevant” to them.***

Aim for a “quick win” by working on and producing an initial draft of a Fund-specific programme to use as an example. Keep working on this with the responsible programme staff so it shows incremental improvement and demonstrates the point of what is achievable.

***You are asked in the final wrap up session what practical advice you might give the Fund prior to your departure.***

- A. Think about your Programmes from the “top-down”, and don’t let your activities dictate your Objectives.
- B. Dedicate sufficient time to the approach, and integrating it into your Programmes. If you don’t, it will be reflected in the quality and coherence of your Programme submission.
- C. Use the supporting resources available to you. These include the Programme Working Tool, the Programme Planning Aide Memoire and the PBPB Orientation Guide.
- D. Don’t be afraid to ask. Support is available to all Funds and Programmes through the PBPB facilitators based in each Fund. The PBPB Project Team can also provide support to all Funds, and can be contacted by e-mail: **pbpb-at@osce.org**

***You are asked to write their Programme elements (Objectives, Outcomes, and Outputs) for them.***

Don’t do it! Be careful to distinguish between being a facilitator / trainer and taking on their role as Programme manager. The latter is very dangerous ground to tread. Help them think through the Programme so that they take ownership of the resulting formulation. As a facilitator you should prompt them by asking key questions (see PBPB Orientation Guide) and make formulation suggestions. However, at the end of the day, Programme staff have to manage their Programme according to this document - so they must feel ownership of it.

## **Questions**

***How do I use the PBPB approach, specifically the Programme Outline and the Unified Budget, as management tools to help do my job?***

It is important to understand that the Unified Budget is more than just numbers and posts; it is in essence a “plan of action” for the year. Together with the Programme Outline it defines a road toward the Objectives, with intermediate “milestones” as Outcomes attained through the production of Outputs. Each Unified Budget should be an annual stepping stone that brings you forward along the road toward the Objective.

***Isn’t this just a matter of semantics – writing things differently in a manner that (hopefully) pleases participating States?***

No. PBPB has two elements. Firstly, that our Programmes focus on achieving specific results through better planning, co-ordination and prioritisation. This is key to building team work within and between Funds.

Secondly, that we communicate to participating States through the Programme and Budgeting documents more clearly the results our Programmes want to achieve, and better justify why we are focusing on them. This is done through more consistently applying Programme elements across all Funds and Programmes.

***What is programming? How is it different from planning and budgeting?***

While the immediate need is to prepare the PO as a planning document and the UB as a budget proposal for approval, the larger picture involves what is commonly called programming. “Programming” is defined as the process of developing, designing, and formulating a programme. The planning and budgeting are logical culminations of the programming phase of activities. But for them to be done well, a lot of “up-stream” work is needed in terms of problem/need analysis, determining OSCE’s niche and role, identifying potential partners, etc.

***What if there is disagreement between how a particular Fund or Programme manager wants to formulate its Programme elements and the guidance they have been given?***

It has to be stressed that one of the key principles of PBPB is that all Funds and Programmes consistently apply the Programme elements that have been defined.

There may be a number of reasons why the Fund or Programme Manager is reluctant. It may be that they do not fully understand, or feel comfortable with PBPB. As a facilitator it is important that you make time to give individual briefings to Fund or Programme Managers to alleviate any concerns they may have.

It could also be that the Fund or Programme Manager believes that the Programme planning and formulation system currently in place works well for their circumstances. PBPB is not an attempt to homogenize Programme planning and management. The responsibility for choosing the optimal Programme management structure rests solely with the Fund and Programme Managers.

Finally, if you are unable to come to an agreement with the Fund or Programme Manager, inform the PBPB Project Team.

***How do you explain the apparent contradiction between looking at the broad picture as part of preparing the Programme Outline and then filling in the boxes as part of preparing the Unified Budget?***

It is logical to define the broader picture first, and then fill in the details. The Programme Outline provides the strategic framework for your Programme - the Objectives and Outcomes – whilst the Unified Budget document illustrates both internally and to delegations how the Programme will be operationalised. Without the Programme’s strategic framework, the operational details will be ineffectively employed. Similarly, without the operational details, the Programme’s strategy cannot be realized.

***How do you explain the differences between the Project Management training course/guide and PBPB training and guide?***

Conceptually, the underlying approach in both cases is similar in that it focuses on results to be achieved, although there are differences in terms and definitions. The level of detail will vary, with Programmes providing more overarching considerations and projects providing an increased level of specificity.

***Why do we have to do Outcome Indicators - supposedly an essential element of a PBPB – when they are not being published?***

Indicators are often the hardest part of a performance-based approach. It involves deciding what information to collect and how to obtain it. So selecting the “right” one(s) is critical since it needs to be valid over time and verifiable (supportable) with information. This is not something that should be rushed into but rather deliberately and slowly dealt with until both the Outcomes and its associated indicator(s) are agreed upon.

***What is the process by which the Programme elements and draft Programme Outline submissions will be reviewed?***

Funds are encouraged to establish their own informal mechanism - using a core co-ordination team – to review their Programme and Budgeting submissions. Two specific tools have been developed as complementary pieces to help do just that:

- “Reviewing Your Programme: A Checklist for Reviewing Objectives, Outcomes, Performance Indicators and Outputs”
- “Programme Formulation Aide Memoire”

Field Missions will also, as in previous years, send their Programme and Budgeting submissions to DMF and CPC for review. Submissions from Institutions and units of the Secretariat can be reviewed by the OSG and the Project Team upon request.

Performance Based  
Programme Budgeting

**PB****PB**

Reference Documents

## Reference Documents

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# **A Blueprint to Introduce a Performance-Based Approach in the Unified Budget Process**

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## 1. Rationale

Addressing the conflict cycle effectively and supporting the implementation of political commitments by the participating States over the long-term presupposes a capacity to react to early warning signals, to sustain permanent dialogue, but also to rely on support structures. Field Operations, Special Representatives, the Secretariat and Institutions are instrumental in complementing this cycle of consultation – decision – implementation.

As participating States (pS) increasingly value the practical assistance to support the implementation of political commitments, the scope of technical assistance to be delivered represents an additional challenge. Some OSCE Funds do not possess either the technical know-how or the managerial capacity to engage in a multitude of large-scale, long-term assistance projects. Furthermore, the Organisation is entering a phase where both the financial and human resources it receives will become increasingly limited, especially in light of the number of priorities to follow.

Translating through the Unified Budget process political commitments into effective programmatic strategies has therefore become a critical challenge for the OSCE.

At the Ministerial Council meeting in Ljubljana the pS have called for strengthening the effectiveness of the Organization. Among several issues to be reviewed, the pS highlighted the need to *strengthen the efficiency, effectiveness and transparency of the Organizations' activities, including their budgetary and extra-budgetary financing, and their evaluation and assessment as well as to further improve the Programme planning, so that it may better reflect the Organization's priorities.*

In the framework of its mandate, the Secretariat has offered one element of response to improve transparency and effectiveness by introducing and institutionalizing the concepts of a Performance-based approach in the OSCE budget process. It builds on the initiatives of various Funds to use such approaches as an internal management tool to plan, formulate, monitor, and evaluate their own activities. The initiative launched by the Secretary General aims at standardizing the approach across all the Funds, and to communicate this to the participating States. Such approach should ultimately help ensure that the expected Programme results are achieved in an effective and efficient manner, and that they derive from transparent organizational processes (political and operational). The basic assumption is that improving the communication to the pS of what OSCE activities contribute to will increase transparency, and that improving internal management processes will increase effectiveness.

The Ministerial Council meeting in Brussels further tasked the Secretary General to *ensure programmatic co-ordination between the Secretariat, institutions and field operations, as well as between field operations and, support Fund Managers in the further introduction and application of Performance-Based Programme Budgeting.*

*It also further requests the Secretary General to support planning, including multi-year planning as appropriate, by fund managers within each field operation and institution, and to organize the necessary co-ordination to that effect.*

## 2. The Approach

The Performance-based approach builds on a management philosophy which has been introduced and tested by many Governments and organizations over the last decade and emphasizes the achievement of results, or the impact to be achieved, as the essential task of management.

With the adoption of Programme Budgeting and the subsequent focus on Programmes as the core element for programming and budgeting the OSCE has already made a dramatic shift towards performance oriented Programme Budgeting. The definition of Programme elements (Objectives, Outputs) in the Unified Budget documents was however never finalized, hence loosely applied, and resulted in an inconsistent and ultimately ineffective approach to performance management.

In the OSCE, a Performance-based approach shall be reflected at two key management levels i.e. when:

- a. Fund Managers specify vis-à-vis the participating States their Programme Objectives and define the operational needs that contribute to Mandates and policy objectives;
- b. Fund Managers engage in the monitoring and evaluation of Programme performance using indicators and integrating lessons learned into future planning.

Given the comprehensive nature of the approach and the required change in management philosophy the effort to institutionalize a Performance-based approach must cut across the Organization, including the decision-making bodies. Four factors are essential for the success of this effort:

- i. Willingness and commitment of participating States to engage in a performance-based framework;
- ii. Recognition that the OSCE needs to shape its performance-based approach based on the unique needs and characteristics of the Organization;
- iii. Recognition that a performance-based approach involves all aspects of management that requires a multi-year effort involving incremental changes;
- iv. Understanding and commitment of the Fund Managers to provide leadership in rolling out the approach.

During the preparation of the 2007 Unified Budget, the OSCE has introduced, on a pilot basis, a standard methodology to define its Programmes. For the first time a common definition for Programme concepts (e.g. Objectives, Outputs) was indeed adopted. The methodology put emphasis on the results Programmes aimed to achieve rather than their planned activities. Objectives were more systematically set in a medium-term perspective to foster the pS debate on the results the OSCE collectively desires to achieve.

As mentioned earlier, greater prioritization within and among Funds is needed to allocate limited resources in a more effective manner. The performance approach will be a tool to this end and can be further supported by more coordination between OSCE Funds and external operational partners on Programme planning. Regional Heads of Mission meetings, Programme planning task forces, thematic coordination events, and external coordination meetings should also be organized in a way that complements the performance-based approach.

### 3. The Concepts

The definition of Programme elements (Objectives, Outcomes, Outputs) will be guided by the necessity to be easy to use and understand by Programme Managers and pS; deliver the information needed for the purposes set (transparency, accountability to host country / pS, lesson learned...); and instill more strategic, result-oriented planning and implementing of activities.

Within this context, the OSCE will structure its performance based approach in its programming and budgeting by using the following concepts:

- **Fund:** a self-contained entity whose activities derive from Mandates as defined by the OSCE decision-making bodies.
- **Programme:** a set of activities that have a common purpose and lead to the achievement of Programme Objectives as defined by Fund Managers.
- **Programme Objectives:** the end results a Programme intends to achieve over several years. Programme Objectives support Mandate implementation.
- **Programme Outcome:** a result induced by OSCE Outputs. It is a desired intermediate step between the completion of Outputs and the achievement of Objectives. Although affected by outside factors the Outcome must be within reasonable influence of the OSCE. Outcomes must focus on the tangible change introduced by the Programme.

- **Indicator:** Element reflecting a quantitative or qualitative change that enables the assessment of the achievement of Programme Outcomes. The indicators are designed by the Fund Manager, limited in number, and use information that is readily and easily available.
- **Programme Output:** the specific products or services resulting from several OSCE activities over one Unified Budget cycle.

## 4. The Unified Budget Process

The introduction of a performance-based approach in the Unified Budget process will impact on how its three primary documents – the Programme Outline, the Unified Budget proposal, and the Programme Budget Performance Report – relate and build on each other. It is through the Unified Budget documents that Fund Managers communicate with the pS which results they want achieve, how they will go about it, and what progress they have made.

- First, the Programme Outline will be introduced by a brief thematic and administrative overview of activities undertaken across OSCE Funds with a view to provide a platform to enhance coordination, coherence, transparency and consistency. In addition, the Programme Outline will define how and with which Programmes Fund Managers intend to support Mandate implementation over the medium term. The focus of Programme descriptives will be Objectives and Outcomes.
- Second, the Unified Budget (UB) proposal will define how Fund Managers intend to operationalize Programme strategies. As in the previous years, and in the context of Programme Objectives and Outcomes, the UB proposal will hence outline at the Output level how the Programme strategies will be implemented over the next year, together with the human and financial resources needed for them.
- Third, the PBPR will provide the basis to account for the use of previous year's resources as well as to communicate to the pS progress in implementing a Programme strategy. It will report on the deliverables made possible with given resources, measure progress towards Objectives (based on the Outcomes and related indicators as outlined in the Programme Outline) and share lessons learned. Together with the subsequent feedback from pS it will constitute a basis for the elaboration of the next Programme Outline as indicated in the first step.

## 4.1. The Programme Outline

In the Unified Budget process Fund Managers are responsible, through the Chairmanship, and with the support of the Secretary General, to translate their Mandates and the political guidance received by participating States into programmes. Chairmanship priorities are usually communicated to the pS during the first address of the Chairman-in-Office to the Permanent Council but this is not formally linked to the OSCE's Programming process. The incoming Chairmanship however drafts the Programme Outline perception paper.

To foster an environment where the pS can provide policy guidance to Fund Managers by focusing more on Programmatic issues rather than Administrative issues, the features of the Programme Outline should be adjusted. In particular, the introduction of the Programme Outline document will be complemented with two new sections.

- First, with a view to enhance the analytical feature of the document, a thematic analysis of OSCE activities will be added to the current administrative overview. The analysis should aim at providing an overview of all activities undertaken across OSCE Funds in a thematic area and provide a platform to enhance coordination, coherence, transparency and consistency. Such thematic analysis will be concise (one or two pages per theme) and drawn up by the appropriate OSCE structures in accordance with their mandates (e.g. ATU, ATAU, OCEEA, SPMU). Overall OSCE resource requirements and their geographic repartition will continue to be summarized in the administrative overview.
- Second, the Chairmanship's role in Programming will be enhanced by introducing the incoming Chairmanship's overall priorities in the form of a short introduction to the Programme Outline. The incoming Chairmanship will hence closely accompany the Programme Outline by outlining its priorities in the introduction of the document and by preparing the perception paper on the Programme Outline discussions.

Following the thematic and administrative overview of the Programme Outline, each Fund will outline its Programme strategies.

- Each Fund will include two main sections: a reminder of the main elements of the **Mandate**, and a section outlining the **Programme Strategies** for each Programme.
- In the **Programme Strategies** section, Fund Managers will describe the place of their Programme objectives on the roadmap for mandate implementation. The level of analysis would be similar to the Fund Manager reports to the PC. In reference to their Mandate, Programmes will include a medium / long-term strategy (multi-year as opposed to the current annual objectives) and highlight expected results.
- Financial information will be reduced. Resource tables will not provide resource details at Programme level. Resource requirements will be provided at Fund level for the past, present, and the upcoming year.

Finally, by providing the framework against which Programme strategies are being developed, the Programme Outline will also provide the basis on which additional activities funded from extra-budgetary resources will be prioritized and developed throughout the UB cycle.

## 4.2. The Unified Budget Proposal

The Unified Budget proposal plays a key role in the UB cycle as it allows Fund Managers to translate the political mandates and the policy guidance of the pS – as debated during the Programme Outline discussions – into operational plans. The UB proposal includes all key elements (Objectives, Outcomes, Outputs, and associated resources) that have direct operational implications for all OSCE executive structures.

Over the last years, the Unified Budget proposal has developed into a comprehensive document including detailed information both on the operational aspects of Programme strategies and on the financial and human resources required.

While the Programme Outline will gain more distinctive policy features, the UB proposal will preserve its operational character. Hence, no changes in the UB proposal are foreseen other than formatting of the template (see below). As in the previous years, the UB proposal will, in the context of the Programme Outline, continue to outline at the Output level how the Programme strategies will be implemented over the next year.

In presenting their planned Outputs, Fund Managers will adhere to the proposed PBPB methodology and definitions, thereby adhering to Programme Budgeting principles.

In terms of presentation,

- Each Budget proposal shall contain two sections. The proposal will be introduced by a **General Operational Outlook** for the following year, followed by a **Programme Chart**;
- The **Programme Chart** will emphasize the Programmes' operations-related constituents (Outputs) in the context of the strategic elements presented in the Programme Outline (Objectives, Outcomes).

## 4.3. The Programme Budget Performance Report

A key component of the performance based approach is that it enables the monitoring and evaluation of OSCE activities, using agreed and pre-defined benchmarks and indicators. The monitoring of Programme implementation is both an internal process when it informs Programme management and an external process when it informs policy making.

At an internal level, the main reference point for the Fund and Programme Managers to monitor and assess their programmatic activities are defined in the Programme Outline and the Unified Budget proposal. The Outputs will serve as a reference point for future internal (self) evaluations by Fund Managers on managerial performance.

In their communication with participating States, the main reporting tool to share monitoring and assessment findings to the pS is the Programme Budget Performance Report (PBPR) - a report provided at the end of the budget cycle which aims at reporting on the deliverables made possible with given resources and measuring progress towards objectives and sharing of lessons learned.

The PBPR will:

- Be introduced by a section outlining ***Overall Constraints and Lessons Learned*** to be taken into consideration during subsequent planning exercises and followed by a section reporting on ***Progress towards Objectives***;
- Narrative reporting will focus both on progress towards Programme Objectives (i.e. against Programme Outcomes and their related performance indicators), and on achievement of Outputs to enhance accountability in the use of resources;

## 5. Formats and Templates

Document formats can also contribute to facilitate the communication between Fund Managers and pS during Programming and Budgeting exercises. Formatting changes will especially seek to enhance clarity, readability, and accessibility.

In all three documents, Programme Strategies will be presented in table format with the aim to present in a concise yet structured manner which results Programmes intend to achieve. The tables will allow for a clear, concise, and direct demonstration of the logical link between Objectives, Outcomes, and Outputs.

In a Performance-based approach, the common thread among all three documents will be their relationship to the results that Fund Programmes aim to achieve i.e. the Objectives and Outcomes. However, as the Unified Budget proposal will build on the Programme Outline, background information provided in the Programme Outline will not be repeated in the Unified Budget proposal and the PBPR.

In the Unified Budget proposal and the PBPR, a synopsis of human and financial resources required for mandate implementation will be presented in a simple table at the beginning of each Fund.

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## CURRENT UNIFIED BUDGET PROPOSAL

### MISSION TO SERBIA AND MONTENEGRO

| Main Programme<br>Programme                           | Summary Annual Resource Requirements (EUR) |                           |                            |                           |                            | Resources After CoC<br>Allocation* |
|---|--|---------------------------|----------------------------|---------------------------|----------------------------|------------------------------------|
|   | 2004<br>Expenditure                        | 2005<br>Current<br>Budget | 2006<br>Proposed<br>Budget | 2006<br>Current<br>Budget | 2006<br>Proposed<br>Budget |                                    |
| <b>Office of Head of Mission</b>                      | 951,600                                    | 1,041,200                 | 1,126,300                  | 1,340,000                 | 1,340,600                  |                                    |
| <b>Fund Administration Unit</b>                       | 952,800                                    | 883,600                   | 1,186,500                  | 1,337,500                 | 1,337,500                  |                                    |
| <b>Common Operational Costs</b>                       | 2,834,100                                  | —                         | 1,972,000                  | —                         | —                          |                                    |
| <b>Police Affairs</b>                                 | 2,246,400                                  | 2,398,300                 | 2,219,600                  | 2,804,600                 | 2,920,200                  |                                    |
| <b>Economic and Environmental<br/>Democratization</b> | 305,200                                    | 289,500                   | 316,900                    | 367,300                   | 339,400                    |                                    |
| <b>Media</b>  | 1,288,900                                  | 1,268,200                 | 1,313,000                  | 1,565,200                 | 1,472,800                  |                                    |
| <b>Rule of Law and Human Rights</b>                   | 512,300                                    | 537,800                   | 533,500                    | 674,700                   | 660,800                    |                                    |
| <b>TOTAL FUND BUDGET</b>                              | 9,380,700                                  | 9,460,300                 | 9,582,700                  | 9,582,700                 | 9,460,300                  |                                    |
| <b>TOTAL FUND RESOURCES</b>                           | 9,380,700                                  | 9,460,300                 | 9,582,700                  | 9,582,700                 | 9,460,300                  |                                    |
| <b>Percentage Change 2006 / 2005</b>                  | —  | 1%                        | —                          | —                         | —                          |                                    |
| <b>Percentage Change 2006 / 2005</b>                  |  | —                         | —                          | —                         | —                          |                                    |
| <b>Percentage Change 2007 / 2006</b>                  |  | —                         | —                          | —                         | —                          |                                    |

\* The Programme resources with the allocated Common Operational Costs are presented for reporting purposes only.

### Overview

#### Mandate

According to its mandate as outlined on 11 January 2004 in Permanent Council Decision No. 401, the Mission acts in close co-operation with Serbia and Montenegro authorities and with interested individual groups and organisations. It provides assistance and expertise in the fields of democratization and the protection of human rights, including the rights of persons belonging to national minorities, in promoting the rule of law, media reform and full implementation of legislation relating to OSCE principles and commitments, etc.

#### General Outlook for 2006

The structure of the Mission will remain unchanged, with operations at five locations: Mission headquarters in Belgrade, the Mission's Office in Podgorica, South Serbia, and law enforcement training centres in Zemun (Serbia) and Danilovgrad (Montenegro). The Mission in Podgorica will continue to operate under the principle of substantial autonomy. While the Mission may make minor reallocations of human and financial resources within programmes to maximize impact over the course of 2006, each Main Programme will have resources specifically allocated for activities to be implemented in the Republic of Montenegro by the Office in Podgorica, etc.

| Main Programme<br>Programme                           | Main Programmes and Programmes Overview |                           |                            |   |                                    | Thematic<br>Programmes |
|---|---|---------------------------|----------------------------|---|------------------------------------|------------------------|
|   | 2004<br>Expenditure                     | 2005<br>Current<br>Budget | 2006<br>Proposed<br>Budget | 2006/2005<br>Increase /<br>(Decrease)<br>Euro | Policy<br>Management<br>Programmes |                        |
| <b>Office of Head of Mission</b>                      | 951,600                                 | 1,041,200                 | 1,126,300                  | 85,100  | 8                                  | 1,504,600              |
| <b>Fund Administration Unit</b>                       | 2,834,100                               | —                         | 1,972,000                  | (98,200)                                      | 12                                 | 1,186,500              |
| <b>Common Operational Costs</b>                       | —                                       | —                         | 1,972,000                  | 208,000                                       | (7)                                | 0                      |
| <b>Police Affairs</b>                                 | 2,246,400                               | 2,398,300                 | 2,219,600                  | 176,700                                       | 6                                  | 2,804,600              |
| <b>Economic and Environmental<br/>Democratization</b> | 305,200                                 | 289,500                   | 316,900                    | 18,400  | 0                                  | 367,300                |
| <b>Media</b>  | 1,288,900                               | 1,268,200                 | 1,313,000                  | 44,800  | 4                                  | 1,565,200              |
| <b>Rule of Law and Human Rights</b>                   | 512,300                                 | 537,800                   | 533,500                    | (4,300)                                       | (1)                                | 674,700                |
| <b>TOTAL FUND BUDGET</b>                              | 9,380,700                               | 9,460,300                 | 9,582,700                  | 122,400                                       | 1                                  | 2,691,000              |
| <b>TOTAL FUND RESOURCES</b>                           | 9,380,700                               | 9,460,300                 | 9,582,700                  | 122,400                                       | 1                                  | 2,691,000              |

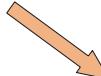
### MISSION TO ZOR

#### GENERAL OPERATIONAL OUTLOOK FOR 2007

The Mission to ZOR assists the country in stabilizing the country's political situation through support to the state institutions most relevant to the state of political and economic security, as well as to civil society. Together with the government and the civil society, the Mission intends to further support capacity building and comprehensive reform based on a country-owned concept addressing legal, professional and human rights issues. The Mission will increase its outreach capacity through programme coordination activities in the different provinces. The Mission will support for the development of free and independent media, political party development, democratization and gender mainstreaming in all activities. The Mission will continue its cooperation with the host country by involving concerned partners at an early stage, etc.

| Main Programme<br>Programme                  | Main Programmes and Programmes Overview |                            |                           |                          |                     | Policy<br>Management<br>Programmes | Thematic<br>Programmes |
|--|---|----------------------------|---------------------------|--------------------------|---------------------|------------------------------------|------------------------|
|  | 2006<br>Current<br>Budget               | 2007<br>Proposed<br>Budget | 2006<br>Current<br>Budget | 2007/2006<br>%<br>Change | 2007<br>%<br>Change |                                    |                        |
| <b>Office of Head of Mission</b>             | 819,200                                 | 820,600                    | 117,900                   | 1,400                    | 0                   | 1,013,000                          | 0                      |
| <b>Fund Administration Unit</b>              | 140,800                                 | 258,700                    | 99,700                    | 84                       | 27                  | 354,900                            | 0                      |
| <b>Common Operational Costs</b>              | 373,200                                 | 472,900                    | (19,700)                  | (29)                     | 0                   | 523,400                            |                        |
| <b>Police-Military Activities</b>            | 667,000                                 | 475,300                    | 523,800                   | 566,000                  | 6                   | 604,100                            |                        |
| <b>Economic and Environmental Activities</b> | 523,800                                 | 556,000                    | 629,200                   | 526,400                  | (16)                | 596,500                            |                        |
| <b>Human Dimension Activities</b>            | 629,200                                 | 526,400                    | —                         | 1,100,000                | 1,100,000           | 0                                  | 1,148,100              |
| <b>Police Reform Programme</b>               | —                                       | —                          | —                         | —                        | —                   | —                                  | —                      |
| <b>TOTAL FUND RESOURCES</b>                  | 3,153,200                               | 4,209,900                  | 1,056,700                 | 34                       | 34%                 | 1,367,800                          | 2,842,100              |

## NEW UNIFIED BUDGET PROPOSAL



### MISSION TO ZOR

## Programmes

### Category: B.2 Economic and Environmental Dimension

#### B.2.1 Programme: Economic and Environmental

**Objectives**  
In 2006, the Programme will continue to work on economic and environmental activities – with a view to promoting security and sustainable development in Serbia and Montenegro. More specifically, the Programme objectives are:

1. To promote sustainable and regional development in Serbia and Montenegro;
2. Fostering regional integration through the promotion of cross-border initiatives in the field of business and trade both in Serbia and Montenegro;
3. Promoting energy security and economic competitiveness through energy efficiency and the use of the renewable energy sources;
4. Encouraging foreign and local direct investments and the development of the private sector, in particular small and medium-size enterprises (SMEs);
5. Raising awareness on sustainable and environmental issues through educational and especially building programmes on entrepreneurship.

**Outputs**

**Output 1:**

- Help securing transportation networks and transport development to enhance regional economic co-operation and stability
- Participation in OSCE/UNDP/UNECE
- Systems for environmental threats
- Support to regional cross-border co-operation by integrating and facilitating the access to structural funds to help it

**Output 2:**

**MERGED INTO TABLE FORMAT**  
**TO SHOW LINK BETWEEN**  
**OBJECTIVES AND OUTPUTS**

**Output**

**1:**

- Help securing transportation networks and transport development to enhance regional economic co-operation and stability
- Participation in OSCE/UNDP/UNECE
- Systems for environmental threats
- Support to regional cross-border co-operation by integrating and facilitating the access to structural funds to help it

**Output**

**2:**

- Promotion of Public Private Partnership (PPP) both in Serbia and Montenegro by improving coordination between employers, trade unions and local authorities, as well as creating specific controls that contribute to the fight against corruption.
- Development of national legislation and policies in compliance with international standards, support for the country's participation in international conventions in the rail and maritime sectors, and implementation of international treaties concluded under the United Nations Economic Commission for Europe (UNECE).
- Support to Montenegrin authorities in implementing their Economic Reform Agenda.
- Establishment of Eco-Fund in Montenegro as a governmental body and strengthening its institutional capacity and human resources.

**Multi-Year Outlook**  
The Programme supports sustainable development with an emphasis on multi-ethnic communities and economically vulnerable groups and regions, and its effort to develop a regional and cross-border approach remains a multi-year task. The process of institutional harmonization and requires permanent monitoring and the engagement of all the resources available in order to secure stability and enable a smooth transition. The current socio-economic and environmental development is to be sustainable and effective.

#### Background and Justification

Despite significant achievements since 2001 – many difficulties remain. The Programme seeks to address local weaknesses and allied sources of external support. It has with the government's reform priorities – the Programme will partially focus on the development of transportation networks to enhance regional economic development and regional integration and on policy initiatives for the development of the private sector, helping the legal and business environment to be more competitive and employment – the Programme also focuses on activities aimed at fostering investments and promoting the energy security – a substantial factor for sustainable economic development and employment. Finally, the Programme also seeks to support the implementation of the environmental legislation and help build the credibility of institutions for the implementation of respective laws, in co-operation with other programmes and international state holders.

#### Description of Budget Changes

The Programme's proposed budget for 2006 will implement planned activities with no additional human resources. In accordance with the OSCE Staff Regulations, the Secretary General is proposing an increase of the local Staff Salary Scale effective 01 January 2006 by 10 per cent. The budgetary implications of this increase are reflected in this proposal and represent EUR 9,300.

Tables ..... etc.

#### PROGRAMME CHARTS

##### Category: B.2 Economic and Environmental Dimension

**Programme: Economic and Environmental Activities**

**Programme: Environmental Activities**

**OBJECTIVE 1: SUPPORT INCREASED CAPACITY AND AWARENESS OF GOVERNMENT AND SOCIETY TO ADDRESS ENVIRONMENTAL ISSUES**

**Outcome 1.1: Enhanced government and civil society knowledge of, and ability to, implement international environmental conventions**

**Output 1.1.1: New methods for resolving environmental problems in addition to transboundary environmental issues introduced**

The Office will assist the government to implement the Aarhus and Espoo conventions. The Aarhus Convention's hot spots in ZOR will be supported and expanded, particularly in the area of legal expertise. Environmental hot spots that are potential subjects for examination under the Espoo convention will be explored and investigated.

**Outcome 1.2: Increased dialogue, co-operation, and coordination between local authorities, civil society and general public in addressing environmental risks**

The Office intends to work at the community level for improved coordination on natural disaster preparedness. Additionally, the Office will build on the successful work of targeted community seminars to provide additional coordination training and technical assistance to remote and vulnerable locations. The Office will also assist in raising awareness and education in the regions on critical or emerging environmental issues, building on recent monitoring of several environmental hot spots. Various media will be used to raise awareness about these issues. donor attention will be attracted, and government publications on disaster preparedness will be supported.

**Output 1.1.2: Strengthened and sustained support for natural disaster preparedness and for areas where environmental security is a concern provided**

The Office will work at the community level for improved coordination on natural

disaster preparedness. Additionally, the Office will build on the successful work of targeted community seminars to provide additional coordination training and technical assistance to remote and vulnerable locations. The Office will also assist in raising awareness and education in the regions on critical or emerging environmental issues, building on recent

monitoring of several environmental hot spots. Various media will be used to raise awareness about these issues. donor attention will be attracted, and government publications on disaster

preparedness will be supported.

**Output 2.1: Capacity building support to the anti-corruption agency, NGOs, parliament and local assemblies provided**

The Office plans to support the government's Anti-Corruption Agency in helping them to implement policies in their priority areas of education and prevention of corruption. A focus will be put on capacity building for the ZOR financial intelligence unit (FIU) in order to bring them to the professional level of their counterparts in the region. And lastly, the Office will continue to work closely with NGOs, parliament and local assemblies to strengthen their ability to fight corruption and raise awareness about this issue.

**Output 2.2: Improved public awareness of good governance concepts and related government policies to combat corruption**

**Governmental responses to corruption assessed**

The Office will conduct surveys of public attitudes about governmental responsiveness on the corruption issue. While there has been much work on institutional development in the sphere of good governance through publications on anti-corruption measures and training of government officials, a thorough assessment of the impact of these attempts has not yet been made. Since perceptions about corruption are important (as determined by the anti-corruption dialogue project supported by the Office in 2005) the continuation of this dialogue through thorough assessment, governmental anti-corruption efforts impacts and public perception will provide a useful benchmark for 2007 and future engagements in this sphere.

#### Description of Budget Changes

The Programme's proposed budget for 2006 will implement planned activities with no additional human resources. In accordance with the OSCE Staff Regulations, the Secretary General is proposing an increase of the local Staff Salary Scale effective 01 January 2006 by 10 per cent. The budgetary implications of this increase are reflected in this proposal and represent EUR 9,300.

**CURRENT PROGRAMME BUDGET PERFORMANCE REPORT****MISSION TO SERBIA AND MONTENEGRO**

| Main Programme<br>Programme  | Summary Annual Resource Requirements (EUR) |                          |                   |
|------------------------------|--|--------------------------|-------------------|
|                              | Financial Resources*                       | Human Resources**        |                   |
|                              | 2005<br>Revised<br>Resources               | 2005<br>Utilization<br>% |                   |
| Office of Head of Mission    | 1,040,200                                  | 99%                      | 36,50 95%         |
| Fund Administration Unit     | 960,700                                    | 99%                      | 47,00 98%         |
| Common Operational Costs     | 1,713,200                                  | 98%                      | — n/a             |
| Police Affairs               | 2,327,700                                  | 98%                      | 64,00 92%         |
| Economic and Environmental   | 324,500                                    | 99%                      | 5,00 100%         |
| Democratization              | 1,282,500                                  | 96%                      | 25,00 92%         |
| Media                        | 520,000                                    | 97%                      | 15,00 93%         |
| Rule of Law and Human Rights | 1,155,000                                  | 97%                      | 23,00 91%         |
| <b>TOTAL FUND RESOURCES</b>  | <b>9,324,000</b>                           | <b>98%</b>               | <b>215,50 94%</b> |

**General Context**

The Mission continued to successfully assist Serbia and Montenegro in its democratic reform process. A wide range of governmental institutions and non-governmental organisations continued to work in partnership with the Mission. In April, the State Union put an end to the constitutional crisis caused by the operation of the mandates of the State Union. This by amending the Constitutional Charter. While the resulted in postponement of direct parliamentary elections, the right to hold a referendum on independence was recognized. The State Union made steady progress in the consolidation of reform processes, leading to the adoption of a positive EU Feasibility Study and a decision to begin negotiations on a Stabilisation and Association Agreement. Two-level talks were formally launched in October, with some issues to be negotiated with the State Union and others with the individual Republics. ....

**Constraints and Lessons Learned**

Uncertainties about the State Union's future and the absence of a clear constitutional framework affected a number of programmes, particularly those seeking to assist the authorities in improving legislation and cementing the rule of law. The Mission noted a relatively undeveloped inter-ministry/inter-agency communication flow, hampering a comprehensive approach to issues requiring the involvement of various ministries. The Mission continued to find that the number of highly qualified experts working in specialised institutions is limited; this in turn affected the institutions' capacity to benefit from and take over programmes offered by the Mission. Finally, a range of domestic political or economic factors undertaken either domestically or internationally, such as ICTY cooperation, media reform, integration of national minorities, and police investigation of war crimes in preparation for domestic trials. ....

**Category: B.2 Economic and Environmental Dimension****B.2.1 Programme: Economic and Environmental****Achievement of Outputs**

**Output 1:** To foster legislation and institution building by harmonising the current legal framework with international standards, by supporting accession to existing international treaties and protocols and the ratification and implementation of the international treaties concluded under the United Nations Economic Commission for Europe (UNECE).

The Programme supported the drafting of provisions related to Serbia's National Strategy on economic and environmental aspects of European integration. The Programme engaged experts to provide input to the Strategy. A draft was presented to key stakeholders and the donor community in May 2005. The Strategy was later adopted by the Serbian Government and Parliament.

**Output 2:**

To support the promotion of renewable energy by assisting in the elaboration of a national energetic strategy, with a focus on renewable energy resources.

With the drafting of the new Constitution put on hold by key stakeholders, this activity could not be actively pursued.

.....etc

**NEW PROGRAMME BUDGET PERFORMANCE REPORT****MISSION TO ZOR****MISSION TO ZOR**

| Main Programme<br>Programme  | Summary Annual Resource Requirements (EUR) |                          |                   |
|------------------------------|--|--------------------------|-------------------|
|                              | Financial Resources*                       | Human Resources**        |                   |
|                              | 2005<br>Revised<br>Resources               | 2005<br>Utilization<br>% |                   |
| Office of Head of Mission    | 1,040,200                                  | 99%                      | 36,50 95%         |
| Fund Administration Unit     | 960,700                                    | 99%                      | 47,00 98%         |
| Common Operational Costs     | 1,713,200                                  | 98%                      | — n/a             |
| Police Affairs               | 2,327,700                                  | 98%                      | 64,00 92%         |
| Economic and Environmental   | 324,500                                    | 99%                      | 5,00 100%         |
| Democratization              | 1,282,500                                  | 96%                      | 25,00 92%         |
| Media                        | 520,000                                    | 97%                      | 15,00 93%         |
| Rule of Law and Human Rights | 1,155,000                                  | 97%                      | 23,00 91%         |
| <b>TOTAL FUND RESOURCES</b>  | <b>9,324,000</b>                           | <b>98%</b>               | <b>215,50 94%</b> |

**OVERALL CONSTRAINTS AND LESSONS LEARNED**

The March 2005 events in ZOR had a significant impact on the Mission's 2005 programme. The rapid changes in the political situation led to a review of the ZOR working programme, a strengthening of human resource and operational capacity and a new focus in addressing security concerns resulting from the new situation. The main goal was to assist ZOR in stabilising the political situation of the country through a consequent support to the institutions most relevant for all aspects of political, economic and institutional stability. The Mission continued its coordinating function with the authorities concerned.

**PROGRESS TOWARDS OBJECTIVES****Category: B.2 Economic and Environmental Dimension****Programme: Economic and Environmental Activities**

**OBJECTIVE 1:** SUPPORT INCREASED CAPACITY AND AWARENESS OF GOVERNMENT AND CIVIL SOCIETY TO ADDRESS ENVIRONMENTAL ISSUES

**Outcome 1.1:** Enhanced government and civil society knowledge of, and ability to, implement international environmental conventions

The activities undertaken for the last 3 years have led to an increased understanding by government actors of the importance of environmental issues and of the regulatory role they can play. Further work continues to be necessary to ensure that capacities are built to develop appropriate legislation and that these are applied at local level.

**Output 1.1.1:** New methods for resolving environmental problems in addition to transboundary environmental issues introduced

The Office assisted the government to implement the Aarhus and Espoo conventions through a series of workshops facilitated by international experts. The Aarhus Convention activities to implement the Aarhus convention in ZOR were supported and expanded, particularly in the area of legal expertise. Seven environmental hot spots under the Espoo convention have been analysed and a report submitted to the Commission.

# Timelines and Milestones for Project Implementation

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Programme Budgeting | **PBPB**



## 1. Executive Summary

The project to introduce performance-based Programme Budgeting (hereinafter: PBPB) has a tight and challenging project time line. In order to ensure a successful roll-out, stakeholders and all senior managers will need to be appropriately engaged with the project plan. This paper provides:

- A short overview of the project management structure (see Annex A);
- A definition of project phases and key milestones;
- A list of medium-term project activities with key dates and responsibilities;
- A long-term timeframe which highlights the on-going engagement that the project requires as well as key events at which tangible benefits and impacts will be realized.

## 2. General Background

In 2006 a performance-based approach to Programme Budgeting for OSCE activities was introduced on a pilot basis for a select number of OSCE Funds. Together with other initiatives, the purpose has been to support a process of strengthening the efficiency, effectiveness and transparency of OSCE activities, and their evaluation and assessment; and to improve programme planning, so that it may better reflect the Organizations priorities, as called for at the Ljubljana and Brussels Ministerial Councils<sup>1</sup>.

Following initial positive feedback from participating States, the Secretary General intends to roll-out the performance-based approach to all OSCE Funds for the year 2008.

## 3. Project Management

The Director DMF, as Project Director, is the single senior official responsible for the delivery of the project. He will report directly to the Secretary General and be advised and supported in the day to day management of the project by a project team. Consultation across OSCE Management and Funds will take place via a Steering Group which will meet as required to review progress and oversee the implementation of the project.

Annex A shows the lines of project accountability in diagrammatic form.

<sup>1</sup> See Ministerial Council decisions 17/05 and 18/06, respectively.

## 4. Project Phases and Key Milestones

The discussions held during the Senior Management retreat on 5-6 September 2006 were a point of departure for a blueprint that defines in precise terms the aims of the PBPB project and how it will contribute to enhanced transparency and effectiveness in the OSCE.

The project roll-out is planned in the following phases:

- *Pilot Phase* = January 2006 – March 2008 - Selected Funds implement the project on a pilot basis. A lessons learned paper was produced in October 2006 to review the first stages of the pilot process and has been used to help shape the full roll-out of the project;
- *Phase 1* = January 2007 - March 2009 - PBPB introduced to all Funds but indicators (used to help evaluate progress towards outcomes)<sup>2</sup> are defined by Fund managers for self-assessment purposes only, and thus are visible only to the relevant Funds and the Secretariat. During this phase, the project team works together with the Funds to evaluate the performance indicators chosen and how they are used;
- *Phase 2* = January 2008 – March 2010 - If the outcome of consultations on the utility of making full use of indicators is positive, they then will be made visible to all users, including participating States. The Secretary General will make a final decision on this matter, following a lessons learned exercise, and consultation with Fund managers and participating States.

### 4.1. Preparation: From October 2006 onwards – Engagement with the participating States

The participating States, as end users of the budget process documents (the Programme Outline (PO), the Unified Budget (UB) and the Programme Budget Performance Review (PBPR)), will be addressed in the roll-out phase. Whilst the PBPB approach is, to varying degrees, understood by some delegates, to others it is an unfamiliar concept. A series of briefing sessions on the PBPB approach targeted at ACMF delegates will help to explain:

- Why the OSCE is introducing PBPB;

<sup>2</sup> Definitions of key terms are as follows:

- **Programme Objectives:** the end results a Programme intends to achieve over several years. Programme Objectives support Mandate implementation.
- **Programme Outcome:** a result induced by OSCE Outputs. It is a desired intermediate step between the completion of Outputs and the achievement of Objectives. Although affected by outside factors the Outcome must be within reasonable influence of the OSCE. Outcomes must focus on the tangible change introduced by the Programme.
- **Indicator:** Element reflecting a quantitative or qualitative change that enables the assessment of the achievement of Programme Outcomes. The indicators are designed by the Fund Manager, limited in number and use information that is readily and easily available.
- **Programme Output:** the specific products or services resulting from several OSCE activities over one Unified Budget cycle.

- The key concepts of PBPB as used by the OSCE;
- How the re-formatted PBPB documents (PO, UB, PBPR) will look and how they should be read;
- The role of the participating States in the PBPB approach.

In addition to this, Senior Management will engage participating States in a number of forums (ACMF and bilateral meetings) to explain and acclimatise particularly Heads of Delegations, Deputies and ACMF delegates to the PBPB approach.

## 4.2. Milestone: December 2006 – Training Event for Deputy Heads of Mission and Representatives of Institutions

In preparation for the Heads of Missions meeting in January, the key resource personnel at Fund level likely to be responsible for day-to-day implementation of a PBPB approach, Deputy Heads of Mission (DHoM) (or the appropriate person), will be brought to Vienna for a thorough discussion on the PBPB approach. The aims of the meeting are:

- To ensure that key managers in all Funds are given the opportunity to discuss the PBPB blueprint and project plan, to understand what PBPB will mean for programme budgeting; as well as to reflect on broader implications for programme implementation, reporting and evaluation;
- To surface any concerns or questions, and ensure that the project team has adequately addressed them;
- To ensure that Fund managers are given maximum opportunity to bring the PBPB process into their operational plans prior to the Heads of Mission meeting in January 2007.

The training event would ideally take place away from Secretariat premises and last for one day.

## 4.3. Milestone: January 2007 – Heads of Missions Meeting

During the annual Heads of Missions meeting in January 2007, Fund managers will have the possibility to engage on the details of the PBPB process and to review the project plan. To facilitate effective discussion, the project team will:

- Distribute the blueprint and roll-out plan in advance (December 2006);
- Prepare background documents, including detailed presentations, and Q and A's regarding how the roll-out will work;
- Support CPC/DHR to begin to introduce the relevant concepts in their GO course presentations to new Mission members, especially to acclimatize Programmatic staff within the Field Missions to PBPB. Additional briefings by the CPC/DMF for new Programme managers and co-ordinators will also be held.

#### 4.4. Milestone: January 2007 – Training Event for Resource Persons

DHR will take the lead in organising the event and identify staff and financial resources necessary to support it. Staff resources will include GO trainers as the introduction of PBPB will ultimately have to be reflected in the content of the GO course. The training sessions will provide to all facilitators:

- All standard materials, programmes, tools necessary to facilitate a workshop in a Fund;
- A common understanding of key concepts and how they apply in the OSCE;
- Tips on how to interact with a group and train staff.

#### 4.5. Milestone: 19 February – 23 April 2007 – Phase 1 Roll-out

The roll-out of the PBPB to all Funds will require time and resources. It is estimated that:

- The facilitation of one PBPB workshop in a Fund will take one week (2 or 3 days of workshop plus travel time);
- The workshops should be facilitated by teams of two persons, supported, where necessary, by the project team.

In addition, the roll-out to all Funds will have to be completed by end of April 2007. Based on this, the roll-out of the PBPB should involve from the beginning as many resource persons as possible in order to reduce the time necessary to introduce PBPB.

Besides the project team, the resource persons will include staff from the CPC (Mission Programme Section, Operations Unit, PCC), DMF (Budget Unit), as well as members of thematic units (OCEEA, SPMU, ATU, ATUA), from Institutions (ODIHR, HCNM) and missions. Building such local resource capacity will help the somewhat longer programming process as Programme managers become familiar with the technique.

#### 4.6. May-June 2007 – Programme Outline Process

The project team will review the effectiveness of the PO process using the new PBPB. A Steering Group meeting will be held following the PO with a view to assessing how the process can be made more responsive to the needs of both the Funds and the participating States. The Chairmanship's Perception Paper regarding the process will have an important impact on preparations for the UB exercise.

#### **4.7. May 2007 – September 2007 – Roll-out Support for UB process**

During drafting of both the PO and UB documents, support and advice to help implement the PBPB process and to revise documents will be given to Funds by the project team. This phase is vital to ensure that the concepts and methodology that programmatic staff are introduced to during the training workshops are both understood and put into practice in a consistent manner.

The resource persons most heavily involved in this stage will be from DHR (Training Department), the CPC (for Field Operations) and OSG (for the Institutions and Units of the Secretariat).

#### **4.8. October 2007 – December 2008 – Milestone – Review and report on Phase 1 Roll-out and Consultation on movement to Phase 2**

The project team will facilitate a workshop in which key personnel engaged in the roll-out exercise will discuss the impact of the PBPB approach, gather lessons learned, and consult on the possibilities of moving to Phase 2 for the 2009 budget year. In that case, the workshop would also serve as preparation for a subsequent report on the topic to participating States and lay the foundations for an updated project plan to be discussed at the Heads of Missions meeting in January 2008.

#### **4.9. January - March 2008 - Milestone - Roll-out Support for the pilot 2007 PBPR process (pilot cycle completed)**

The project team will undertake consultations with Fund managers and pS on how the PBPR process works in the framework of a PBPB approach. Thereafter, guidelines on evaluating and reporting on programme outcome within the framework of the PBPR exercise will be circulated to relevant Funds.

The PBPB pilot exercise will be completed in the Spring 2008 by an analysis of how any feedback received by pilot Funds during the PBPR exercise was used to help shape the PO and UB submissions for the 2009 financial year. On the basis of this analysis, consideration will be given as to how to make the PBPR process more effective for all stakeholders in the budget process.

## 4.10. September 2008 – September 2011 - Long-term Milestones in the development of the project

PBPB is by definition a multi-annual project which develops over several budget cycles. Each budget cycle contains important milestones which will become an indicator of the success of the PBPB roll-out. In the order which they occur in the calendar, they are:

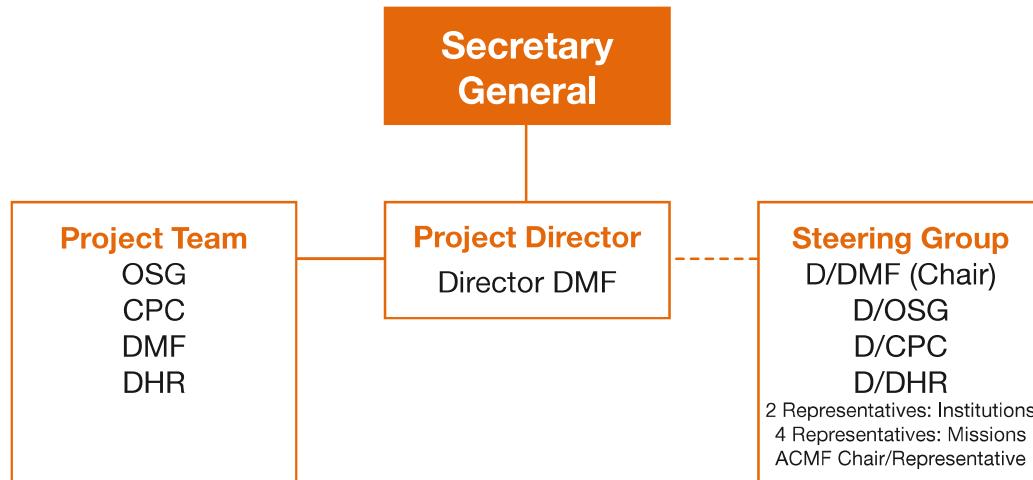
| Project Phase | Date of first impact on PO Process | Date of first impact on UB Process | Date of first impact on PBPR Process |
|---------------|------------------------------------|------------------------------------|--------------------------------------|
| Pilots        | May 2006                           | Sept.- Oct. 2006                   | March 2008                           |
| Phase 1       | May 2007                           | Sept.- Oct. 2007                   | March 2009                           |
| Phase 2       | May 2008                           | Sept.- Oct. 2008                   | March 2010                           |

The project team will continue to support Funds, particularly in the process of self-assessment against their own indicators. Such support could include:

- A review exercise for Funds undertaken in advance of the PBPR to assess how to best present the results of a self-assessment exercise; and,
- Discussions with participating States to gather suggestions for how best to maximize the utility of the PBPR exercise when incorporating the PBPB approach.

## Annex A

### Management Structure for Performance Based Budgeting Roll-out



# **Briefing Note on Roles, Resources, and Lessons Learned**

**December 2006**

## **1. General Background**

In 2006 a performance-based approach to Programme Budgeting for OSCE activities was introduced on a pilot basis for a select number of OSCE Funds. Together with other initiatives, the purpose has been to support a process of strengthening the efficiency, effectiveness and transparency of OSCE activities, and their evaluation and assessment; and to improve programme planning, so that it may better reflect the Organization's priorities, as called for at the Ljubljana and Brussels Ministerial Councils.<sup>1</sup>

## **2. Project Management - Roles and Resources**

The project is managed through a Project Team, with the participation of OSG, DMF, DHR and CPC. Advice from the Steering Group is built into the project.

The OSG co-ordinates the Secretary General's activities relating to PBPB. Support to Institutions in facilitating PBPB workshops will be co-ordinated through the OSG, as will the follow-up of Institution budget documents before final submission.

CPC, the link between missions and the Secretariat, supports Field Operations in facilitating PBPB workshops for the roll-out of PBPB. They will also play an active role supporting Funds in finalizing their budget documents in the new format.

DHR (Training) organizes the training exercises and workshops for the roll-out of PBPB. They also play a large role in facilitating PBPB workshops along with CPC, as well as providing all logistical support to the PBPB roll-out.

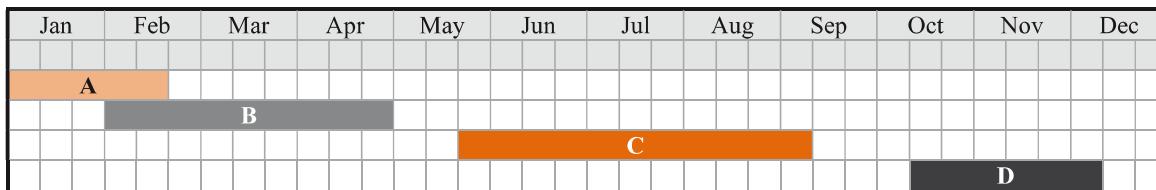
D/DMF provides overall leadership of the PBPB project. DMF will also play a role in supporting the facilitation trainings during the roll-out.

Other than the request of 9 months of administrative support (1 G-5 level temporary staff) there are no additional staff hired for the roll-out of PBPB.

<sup>1</sup> See Ministerial Council decisions 17/05 and 18/06, respectively.

### 3. Timeframe for PBPB training and learning management tasks

**Timeframe for implementation of PBPB training and learning management tasks**



**A. Initial capacity-building activities: 1 Jan – 22 Feb**

- The key component of this section is the training of facilitators to support roll-out across all Funds. The tasking is undertaken primarily by the Training section, but with the expert participation of the project team members during the training sessions, namely OSG, CPC and DMF.

**B. PBPB training and support: 1 Feb – 4 May**

- The key component of this section is the support of field activities, through active training activities in Fund locations and online e-Group support. There are addition briefings for fund administration staff and a workshop for the ACMF on the new Programme Outline format.

**C. PBPB learning management and support I: 21 May – 14 Sep**

- The key component of this section is the engagement with the ACMF/Delegations and the Funds on the PO process and supporting the steps necessary to implement recommendations. During this period there is both planning and support activities for implementing PBPB in relation to the UB proposal.

**D. PBPB learning management and support II: 8 Oct – 10 Dec**

- At this stage the process focuses on engaging stakeholders on the impact of the enhanced UB document and road ahead, in particular an OSCE Sr. Management Workshop on Lessons learned from PBPB's 1<sup>st</sup> Roll-Out Year.

## 4. Responding to Lessons Learned

In early November 2006 a document was distributed to all Delegations assessing the PBPB pilot project. The evaluation, conducted by the Secretariat and in close co-ordination with the pilot Institutions and Field Operations, concluded that PBPB is an effective instrument to increase transparency, and consistency, as well as to provide a better platform for discussions of policy. But the process also revealed challenges to be overcome.

The following are a recap of the lessons learned and the responses that have been taken to address them.

### ***Devote Required Resources***

A budget of 200,000 euros has been requested for the roll out of PBPB in 2007. In terms of human resources, as mentioned above the Departments of the Secretariat have provided support to the PBPB process. A project team has been formed which consists of representatives of DMF, DHR, CPC; and OSG and a Steering Group has been created which includes representation from the ACMF, Field Operations, Institutions, and the Secretariat.

### ***Support from Participating States***

Participating States have expressed their support at the highest level through MC Decision 18/06, which requests, *inter alia*, that the Secretary General:

- support the Fund managers in... the further introduction and application of Performance-Based Programme Budgeting.
- ...ensure programmatic co-ordination between the Secretariat, institutions and field operations, as well as between field operations
- ...report regularly to the participating States on the progress of introducing and implementing Performance-Based Programme Budgeting and to propose further developments of the system;
- ...further strengthen the evaluation of the management of the Funds and to regularly inform the participating States of the results;
- ...support planning, including multi-year planning as appropriate

### ***Training***

A thorough training plan has been developed for the rollout in 2007, which includes a training of facilitators, field visits by the project team, workshops for ACMF and Delegates in Vienna, and additional briefings (including separate DHoM, HoM and CFA briefings). See Section 3.

### ***Time needed to Learn***

PBPB is being rolled out in a phased approach, which will continue next year with the rollout of the basics of PBPB to all funds. The phases are:

- *Pilot Phase* = January 2006 – March 2008 - Selected Funds implement the project on a pilot basis. A lessons learned paper was produced in October 2006 to review the first stages of the pilot process and has been used to help shape the full roll-out of the project;
- *Phase 1* = January 2007 - March 2009 - PBPB introduced to all Funds but indicators (used to help evaluate progress towards outcomes)<sup>2</sup> are defined by Fund managers for self-assessment purposes only and thus are visible only to the relevant Funds and the Secretariat.
- *Phase 2* = January 2008 – March 2010 - If the outcome of consultations on the utility of making full use of indicators is positive, they then will be made visible to all users, including participating States. The Secretary General will make a final decision on this matter, following a lessons learned exercise, and consultation with Fund managers and participating States.

### ***Document Formats***

A blueprint has been presented to the ACMF which outlines a set of format changes which addresses the primary issues found during the lessons learned exercise. They modifications aim to:

- Facilitate quick reading
- Develop a table-form presentation of Programmes
- Avoid duplicating information
- Making the PO more strategic and forward-looking, and distinct from Unified Budget Proposal
- Making the UB more resource focused, including through indicating human resource requirements
- Making the PBPR both a resource review (looking at outputs) and a strategy review (looking at outcomes)

### ***Performance Indicators***

For the 2007 rollout, indicators are being left as a voluntary and internal tool for Funds to use. Their wider use will be assessed upon rollout of the next phase of PBPB.

### ***Learning by Doing***

The PBPB facilitation visits for Programme Managers will explain the concept of PBPB through the example of individual Programmes. At the end of the facilitation the Programme Manager will have made significant progress towards completing his own budget document in addition to understanding the terms and procedures of PBPB.

<sup>2</sup> Definitions of key terms are as follows:

- **Programme Objectives:** the end results a Programme intends to achieve over several years. Programme Objectives support Mandate implementation.
- **Programme Outcome:** a result induced by OSCE Outputs. It is a desired intermediate step between the completion of Outputs and the achievement of Objectives. Although affected by outside factors the Outcome must be within reasonable influence of the OSCE. Outcomes must focus on the tangible change introduced by the Programme.
- **Indicator:** Element reflecting a quantitative or qualitative change that enables the assessment of the achievement of Programme Outcomes. The indicators are designed by the Fund Manager, limited in number and use information that is readily and easily available.
- **Programme Output:** the specific products or services resulting from several OSCE activities over one Unified Budget cycle.