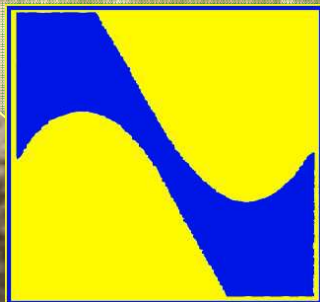


NARBO Performance Benchmarking

Lessons from the Pilots



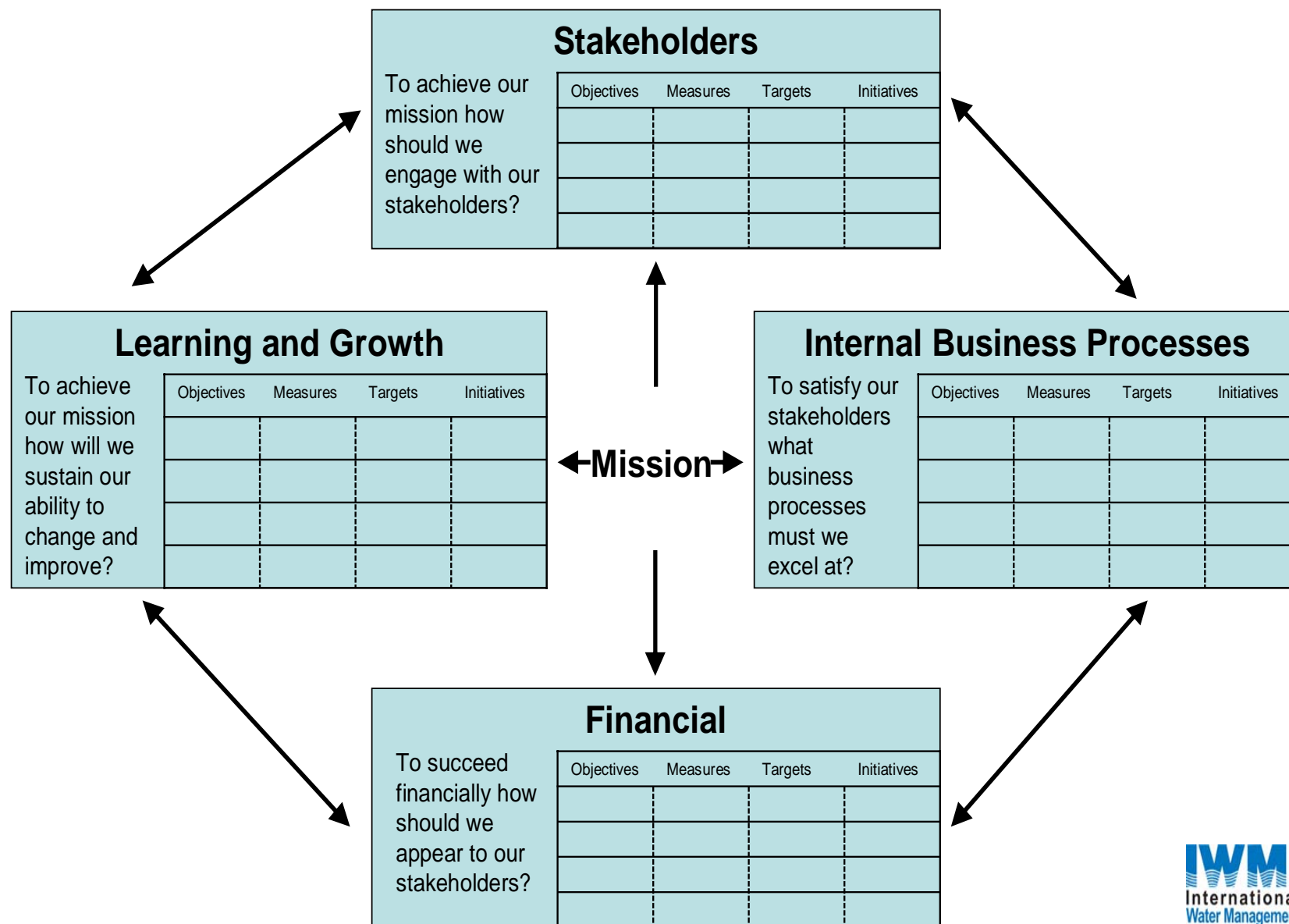
A. Inocencio, I. Makin, W. Arriens, D. von Custodio

Objectives of the Pilot

- ❑ Confirm that the balanced-scorecard (BSC) framework is satisfactory RBO performance assessment
- ❑ Test peer review system
- ❑ Guide in revising & improving indicators
- ❑ Help develop reporting formats
- ❑ Help revise & improve interface & database

River Basin Organizations

Balanced Scorecard



NARBO Indicators

Stakeholders

3: Customer involvement

4: Customer feedback

5: Environmental Audits

6: Basin Livelihood

IBP

10: Planning maturity

11: Water Allocation

12: Data sharing

MISSION

1: RBO Status

2: Governance

L&G

7: HRD

8: Technical Dev't

9: Organization Dev't

Finance

13: Cost recovery

14: Financial efficiency

The Process

1) Self-Assessment



- Assesses the RBO's performance in terms of 4 key performance areas (KPA's) & the achievement of its mission as an organization
- Identifies the strengths of RBO, areas for improvement & further investment

The Process (cont.)

2) Peer Review

- Ensures consistency of interpretation
- Provides an inbuilt system of mutual accountability by utilizing peer recognition to achieve positive results
- A process of subjecting the organization to the scrutiny of peers



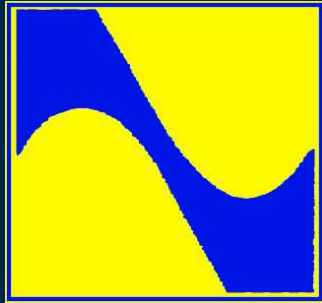
The Process (cont.)

2) Peer Review

- Assists participating RBO identify strategies to improve performance
- Assists in developing a network of experienced people to support RBO performance evaluation activities



“A peer reviewed benchmarking supports dialogue, transparency, capability building & legitimization of new knowledge”

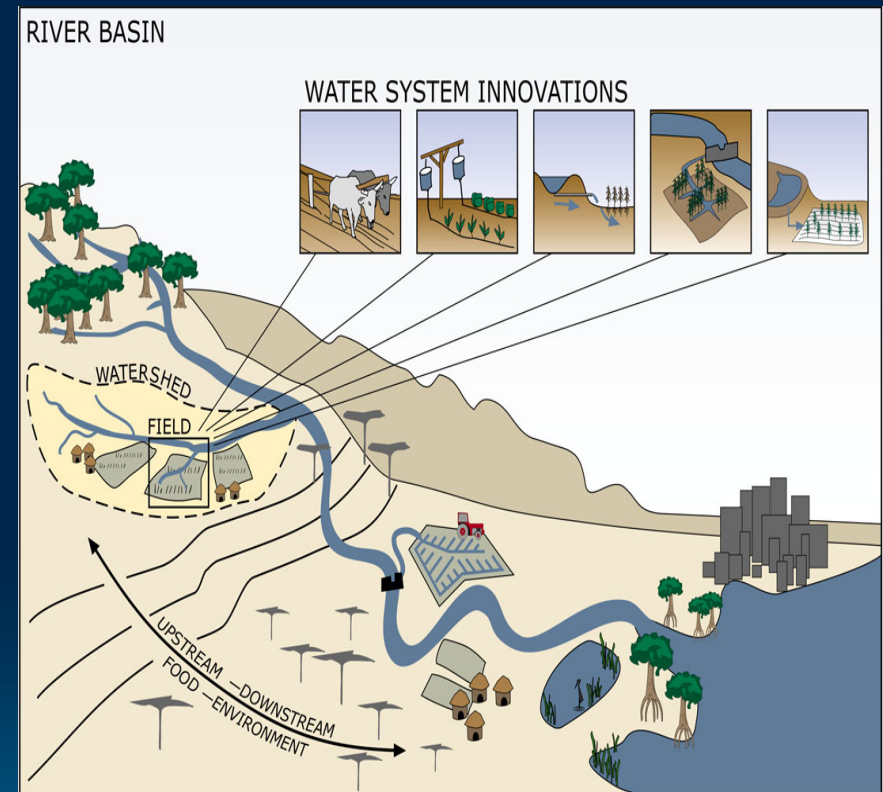


THE LESSONS

- ❖ Benchmarking Tool
- ❖ Benchmarking Process
- ❖ Benchmarking Results

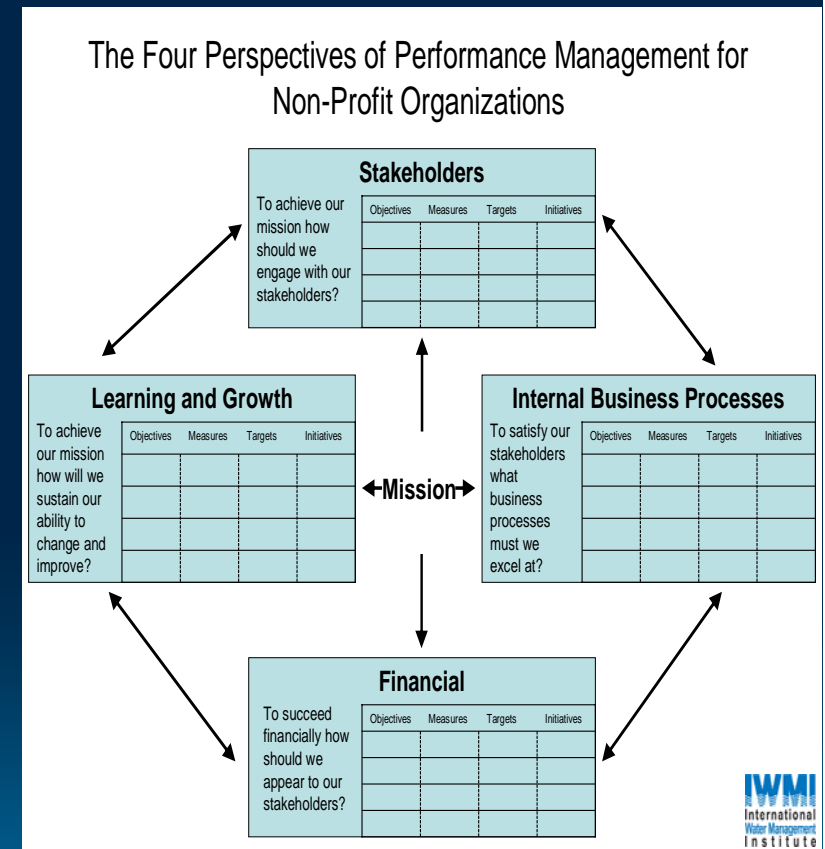
The Benchmarking Tool

1. The benchmarking tool has real potential & **can be useful** across RBO types or forms or stage of development
2. **IWRM Vision** - for benchmarking to be useful, the RBO must have a clear vision of its purpose & a commitment to performance management
3. **IWRM & Benchmarking Link** - a good understanding of IWRM is needed to set relevant & meaningful targets; a clear & shared vision is a critical requirement for performance improvement



The Benchmarking Tool (cont.)

4. **Balanced scorecard** - intended to facilitate translation of RBO strategy towards the IWRM mission, & into key performance areas (KPAs)
5. **Internal consistency** – need to understand linkages & flow of causes & effects in setting targets; setting high targets in achieving overall mission should be backed by high & achievable target improvements in 4 KPAs



The Benchmarking Process



6. **Commitment & full support** of top executive & management are imperative

7. **Selection of Self-Assessment Team Chair & members** - the composition of the team is important

8. **Selection of Peer Reviewers** - this requires finding technically knowledgeable & willing RBO members to serve as reviewers



"Benchmarking becomes effective when embedded in the organizations culture & business processes rather than being considered an external addendum"

The Benchmarking Results

9. Report Formats

- (a) Self-Assessment Report
- (b) Peer Review Report

10. Current Ratings - RBOs rated performance according to 14 indicators; can do better by providing more compelling evidence

11. Setting Targets – difficult; partly due to lack of a shared IWRM vision & an understanding of the BSC; RBOs need to set **SMART** targets

Critical Performance Area/Indicators	MaxScore	PJ12 (2006)	MASL (2006)	IIDA (2007)	RBO (2007)
MISSION					
1. RBOStatus	4	30	25	35	15
2. RBOGovernance	4	30	15	30	15
STAKEHOLDERS					
3. Customer Involvement	4	40	15	30	20
4. Customer Feedback	4	40	15	30	20
5. Environmental Audits	4	20	25	25	05
6. BasinLivelihoods	4	10	15	20	25
LEARNINGANDGROWTH					
7. HumanResourceDev't	4	30	20	25	20
8. Technical Dev't	4	15	10	20	20
9. Organizational Dev't	4	30	15	20	20
INTERNALBUSINESS OBJECTIVES					
10. PlanningMaturity	4	15	20	30	15
11. Water Allocation	4	25	20	20	15
12. DataSharing	4	20	15	30	20
FINANCE					
13. Cost Recovery	4	20	05	15	00
14. Financial Efficiency	4	30	10	25	05
TOTAL	56	355	225	355	215
As % of maximum score of 56	100	63	40	63	38

On-line Benchmarking Service

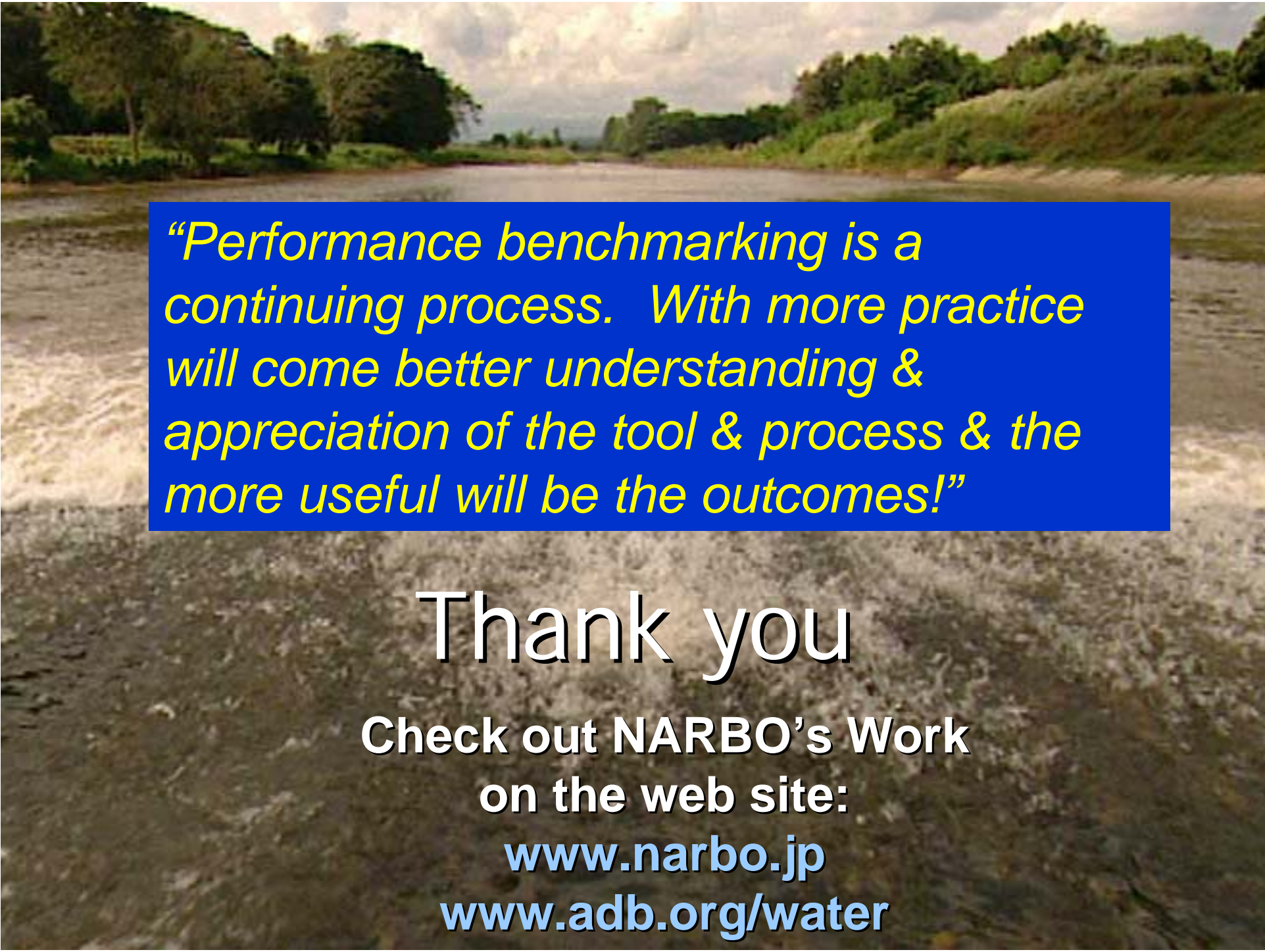
- 12. On-line service has taken a backseat** – need consider whether the on-line service should be utilized by each RBO & whether the participating RBOs are willing to use the on-line system to facilitate sharing of information;
- this aspect entails agreeing what information/details should be shared among RBOs

Conclusions

- ❑ The balanced-scorecard framework can be a satisfactory performance assessment tool
- ❑ The peer review system if done well can provide both credibility & improved evaluation/ratings & targets/initiatives
- ❑ The indicators can be adjusted but should be given a try & RBOs can modify as they gain more experience
- ❑ There are now examples of useful reporting formats but should continue to improve & modify
- ❑ Interface & database – with less progress

What next?

- Consider whether to continue performance benchmarking for other NARBO member RBOs & others
- Forge a closer link between the IWRM & performance benchmarking initiatives
- Discuss monitoring of progress in meeting performance targets
- Discuss how to develop a network of experienced people to support this; consider the need to train more peer reviewers
- Discuss what to share & how to best use the on-line performance benchmarking service



“Performance benchmarking is a continuing process. With more practice will come better understanding & appreciation of the tool & process & the more useful will be the outcomes!”

Thank you

**Check out NARBO's Work
on the web site:**

**www.narbo.jp
www.adb.org/water**