







# **Indicators for Benchmarking RBO Operations**

**Moving towards an operational program for  
Benchmarking and Peer Review**

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# Overview

- How we arrived at the Balanced Score Card (BSC)
- Development of Pilot Indicators
- Meet the NARBO Indicators
- Ensure Consistency of Application (Peer review)



# NARBO Activities on Benchmarking

1. **Small Workshop on Benchmarking (Jatiluhur, Indonesia, Oct 2004)**
2. **Members Consultation Workshop on Benchmarking (Batu-Malang, Indonesia, Nov 2004)**
3. **Launching of Performance Benchmarking (Bali, Indonesia, September 2005)**





# Benchmarking is:

“A systematic process for securing continual improvement through comparison with relevant and achievable internal or external norms and standards”

Malano & Burton (2002)

# Performance Measurement

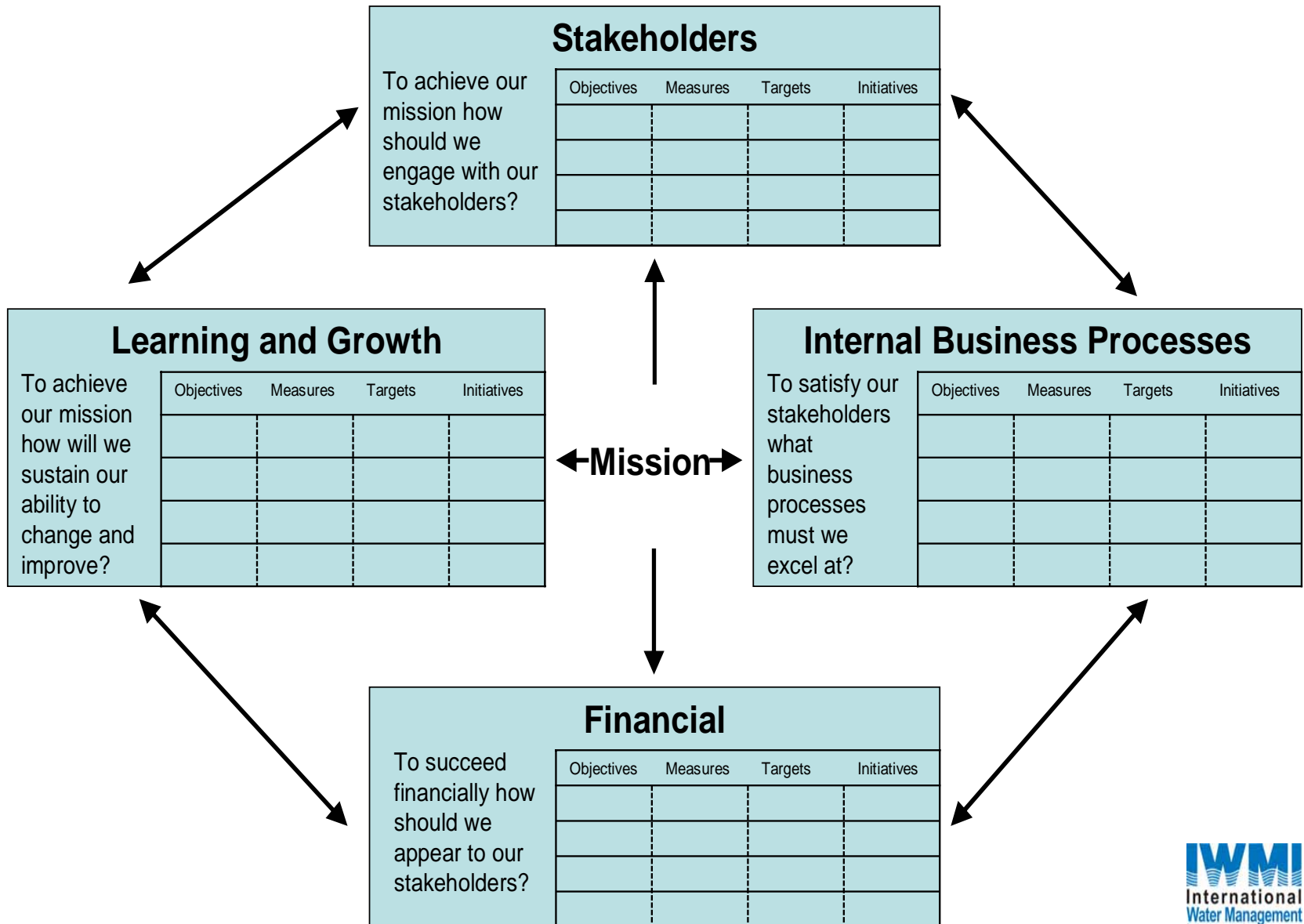
- describes performance from a multi- and interrelated perspective
- is linked to the organization's values and strategy
- is based on the critical success factors is valid, reliable and easy to use
- enables progress to be monitored
- highlights opportunities for improvements

# Why the Balanced Score Card

- Performance for non-profit enterprises is better considered in terms of how well the organization is achieving its mission (Drucker, 1992, Jain & Triandis, 1997).

# River Basin Organizations

## Jatiluhur Balanced Score Card





# Indicators -

- A good performance indicator is an indicator of progress towards a goal.
- Such an indicator is not necessarily a direct measure of what is the actual management objective.



# Summary of Jatilihur Indicators

## ➤ Stakeholders

- 2 way communication
- Complaints indicator
- Customer Satisfaction Survey

## ➤ Internal Processes

- Business plans
- Water allocation plans
- Stakeholder involvement
- Alignment of routine operations

## ➤ Learning and Growth

- HRD & training
- Adoption of new technology
- R&D investment
- QMS - Benchmarking

## ➤ Financial

- Degree of cost recovery
- Budget sources
- Staff efficiency

# Definition of NARBO indicators

- Designed to help RBOs gauge organizational development in critical areas of performance with the assumption that IWRM is a central mission.
- Pilot set based on subjective scale 0-4 with guidelines to help users assess the position of the RBO on the scale.

# Mapping Indicators to BSC

	<b>Stakeholders</b> <i>4 indicators</i>	
<b>Internal Business Processes</b> <i>3 indicators</i>	<b>MISSION</b> <i>2 indicators</i>	<b>Learning and Growth</b> <i>3 indicators</i>
	<b>Finance</b> <i>2 indicators</i>	



# Meet NARBO Indicator Guides

<b>BSC-Critical Performance Area:</b>	<b>Mission</b>
<b>Objective:</b>	Integrated water resources management.
<b>Objective description:</b>	Our mission is to deliver safe and reliable water supplies and services within an IWRM approach.
<b>Indicator:</b>	River Basin Organization Status
A measure of the River Basin Organization development and extent of stakeholder involvement in, and quality of, the organization's decision making process.	
<b>Indicator values</b>	<b>How to evaluate RBO performance</b>

# Indicator Guides

## **(1) Status of development of River Basin Organization**

- No organization exists (Indicator value = 0.0)
- A river basin organization has been formed; its mandate and operational responsibilities, however, are not well-defined (Indicator value = 0.5)
- Organization meetings are infrequent; committee decisions have little or no impact on the water allocation, investment decisions, or daily operations by stakeholder agencies (Indicator value = 1.0)

# Indicator Guides

## **(2) Evidence of feedback of organizational decisions into operations of stakeholder agencies**

- Organization has clear mandate, meets regularly, and makes relevant decisions. However, these decisions do not influence plans and operations of line agencies (Indicator value = 1.5)
- Organization decisions have direct impacts on investments planning, water allocation, and daily operational decisions in all stakeholder groups (Indicator value = 2.0)

# Indicator Guides

## **(3) Acceptable representation of all stakeholders engaged in the Organization**

- Organization includes civil society representation; not all stakeholders are adequately represented (Indicator value = 2.5)
- Organization includes members that are accepted by all valid stakeholder groups as representative of their interests. Decisions are reached by majority voting (Indicator value = 3.0)



# Indicator Guides

**(4) Evidence of dialogue and consensus-based agreements in basin-wide planning and management to balance all user needs for water resources and to provide protection from water-related hazards**

- The committee generally uses consensus to finalize decisions; however, some sectors continue to use financial and political strength to force decisions (Indicator value = 3.5)
- RBO uses multi-stakeholder dialogue to arrive at win-win decisions in all but the most difficult cases. A culture of collaboration and precautionary principles guides decision making (Indicator value = 4.0)

# Mapping Indicators to BSC

	<b>Stakeholders</b> <i>Customer involvement</i> <i>Customer feedback</i> <i>Environmental Audits</i> <i>Basin Livelihood</i>	
<b>IBP</b> <i>Planning maturity</i> <i>Water Allocation</i> <i>Data sharing</i>	<b>MISSION</b> <i>1: RBO Status</i> <i>2: Governance</i>	<b>L&amp;G</b> <i>HRD</i> <i>Technical Development</i> <i>Organization Devlpmt</i>
	<b>Finance</b> <i>Cost recovery</i> <i>Financial efficiency</i>	

# Moving Forwards

Improving Performance needs the RBO to set realistic performance goals. These should be:

- **S**pecific
- **M**easurable
- **A**ttainable
- **R**elevant
- **T**imebound



# Ensuring Consistency

- RBO will conduct self assessment of performance using the BSC and NARBO Indicators
- Peer review will be used to:
  - Ensure consistency of interpretation
  - Assist participating RBO identify strategies to improve performance
  - Develop network of experienced people to support RBO activities





**Thank you**

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