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# **Lesson 5: Baselines and Targets**



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## Learning Objectives:

1. Clearly define baselines and targets
2. Understand the role of baselines and setting targets for performance management
3. Know the factors to consider when setting targets.



## Definition of a Baseline

Imagine...*Life without baselines...*

- Race with no start line~
- YOU with no birthday~
- Journey with no starting point~
- Year with no New Year's Day~
- Vacation with no start date~
- Day without a sunrise~





## What is a Baseline?

It is a starting point – a point of comparison.



- **Historic Baseline:** A value of a performance indicator before the implementation of projects or activities that contribute to the achievement of the relevant result.
- **Performance Baseline:** Value of the performance indicator at the beginning of the planning period before the implementation of a project.



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## Establishing Baselines

### *Baselines are either:*

- Set to zero
- Already known or determined
- Collected pre-implementation

### **Worst Case Scenario:**

- Reconstructed ex post facto
- Forgotten or ignored altogether

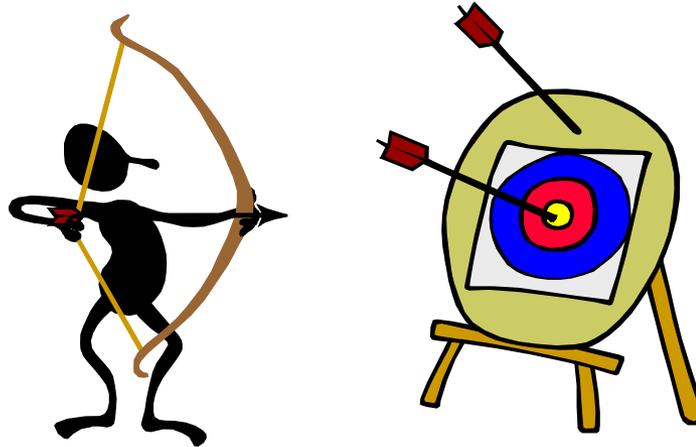


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## What is a Target?

The specific, expected level of progress toward an objective, within a given period of time.

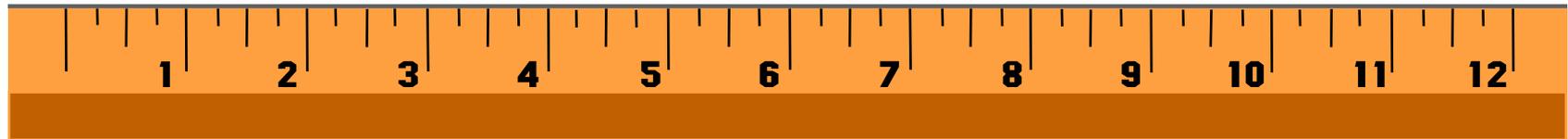




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## We Add Targets to Our Indicators to Define Success



**Baseline:**  
*Status  
When We  
Started*

**Target:**  
*Where  
We Want  
To Be*



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## Final and Interim Targets

- **Final Target:** The expected value of an indicator and the end of a project (or some specific planning period)
- **Interim Target:** The expected value of an indicator for defined time periods, between the baseline year and the final target year (e.g., annually)



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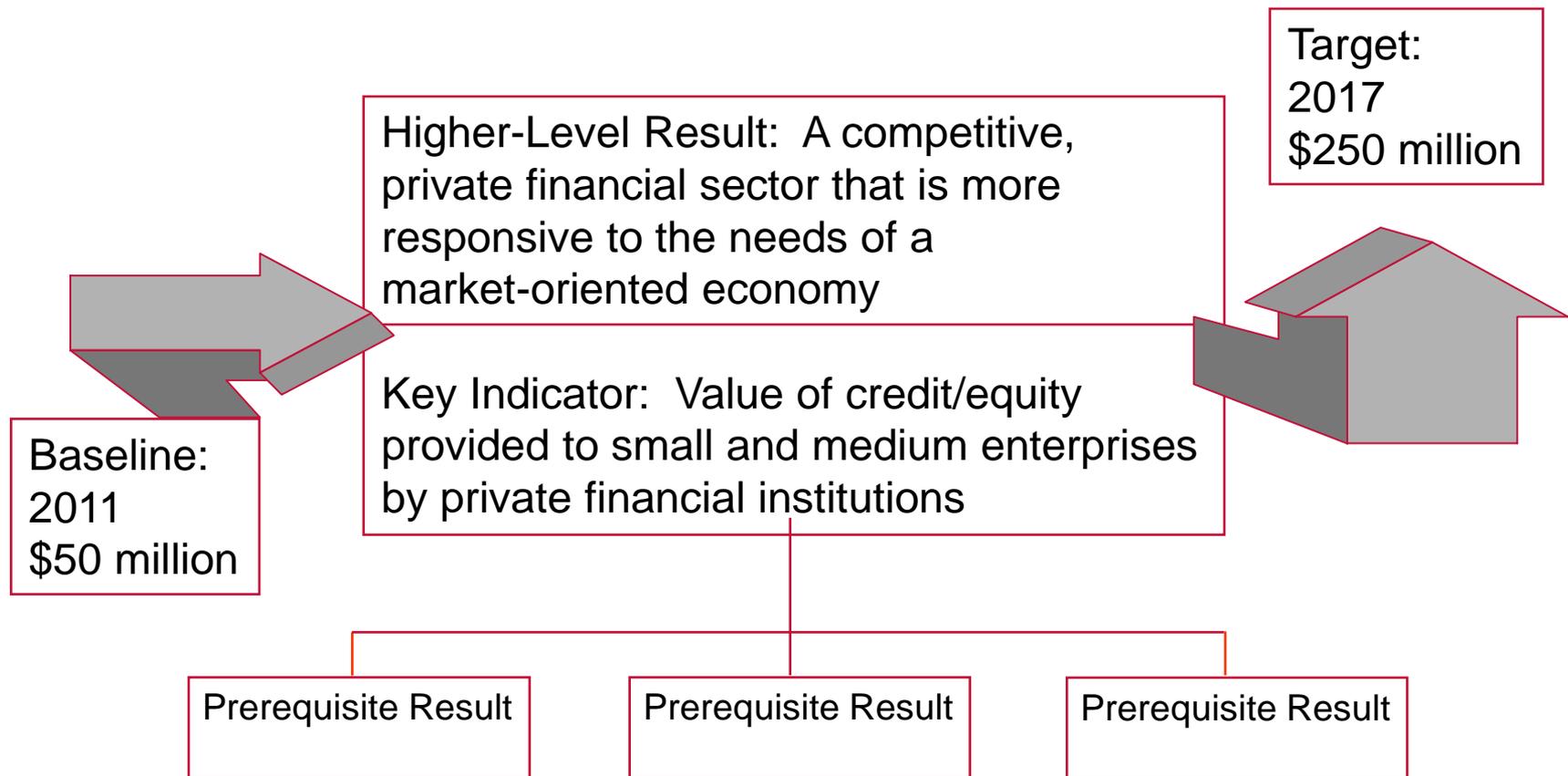
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## Targets Can Tell Us Where We Want to be at Points Along the Way

<b>Baseline:</b>	<b>20% of workers receive adequate safety training</b>
<b>End of Year 1 Target:</b>	<b>40%</b>
<b>End of Year 2 Target:</b>	<b>60%</b>
<b>Final Target (End of Project after Year 3):</b>	<b>80%</b>



## Target and Baseline: An Illustration





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## How to Set Targets

1. Define or Identify a Starting Point (a performance baseline)

.... and then ....





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## How to Set Targets

### 2. Conduct Analysis of All Relevant Information:

- Review historical trends of the data; is change accelerating, slowing, static?
- Benchmark – look at the experience of similar projects in (and outside) the country.
- Review development research and literature, focusing on evaluations and studies of relevant sectors, programs and projects



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## How to Set Targets

- Confer with experts and those closely involved in the specific field or activity and identify expected factors of influence and expert opinion on expected rates of change.
- Review project workplan and timing and expected impact of project activities.



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## How to Set Targets

### 3. Document Target Values and Reason Selected

- Document and file information on how/why you set the target values, to serve as a reference for:
  - Analyzing actual performance data
  - Setting targets in later years
  - Responding to inquiries or audits



## Some Approaches to Target Setting

- **Project a future Trend, then add the “value added” by the Project activities.**
  - This involves estimating the future without the project intervention, then add gains expected as a result of the project efforts. Can use historical data to establish a trend line = **Most Rigorous.**
- **Establish a final Performance Target (EOP), then plan progress from Baseline level.**
  - Can be used for annual performance targets based on judgment of experts or expectations = **Most Common.**
- **Either way, it is important to remember that progress is not necessarily a “Straight Line”**



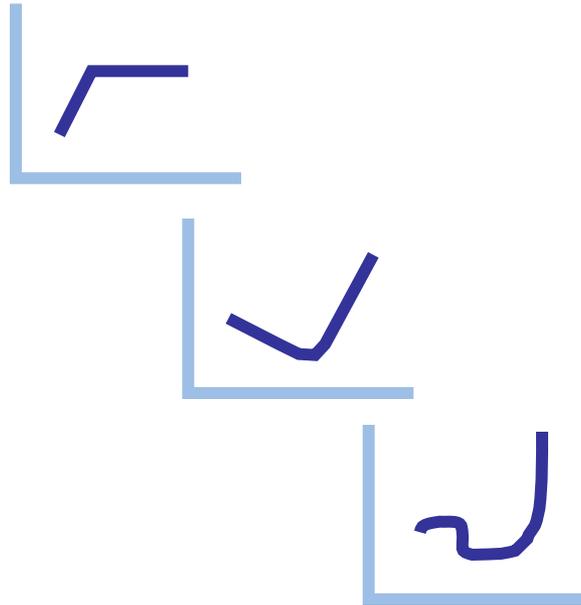
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## Setting Targets is Tricky

Patterns of change/progress are hard to predict

**Progress  
may not  
follow a  
straight  
line**



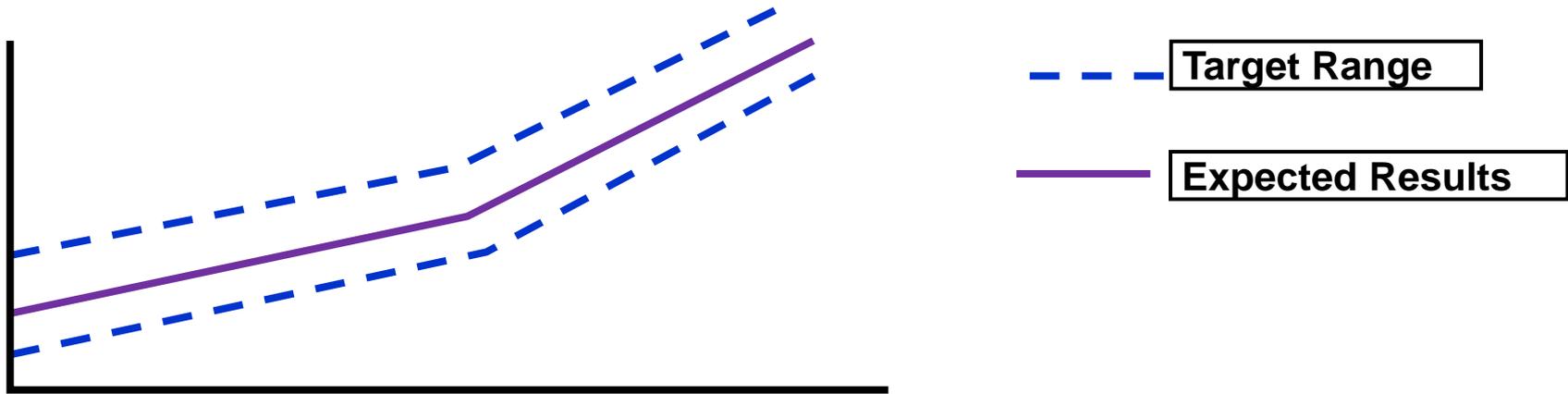


## Setting & Using Targets – An Approach

- Define a “target range” which allows for “reasonable” fluctuations of performance



## Setting a “Target Range” Can Be Helpful



- A “target range” should be defined through analysis
- A target range may represent the historical or “normal” fluctuation of the indicator
- Actual results outside the target range require attention



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## Setting Targets is Tricky

- Even the best analysis rarely captures all eventualities
- The “higher” up the framework, the lower the project’s direct influence – and targets become more tenuous



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## Using Targets – The Benefits

- Targets define a shared set of expectations around project success for project staff, partners and stakeholders (a “contract”)
- Targets help us judge performance.
- Targets bring the objectives of the project into sharp focus and orient staff and partners to a very specific goal.



## Using Targets – The Challenges



- Formal targets create an incentive to “low ball” stated expectations of project performance.
- Formal targets create an incentive to manipulate reported data
- Targets can focus – but can also skew – review of project/program performance



## Using Targets – The Challenges

Interim targets may “force” midstream decisions that are wrong or inappropriate.

