

# **“USAID*works!*” Series**

## **Table of Contents (of selected items)**

- 1. Developing Results Frameworks**
- 2. Developing Performance Indicators**
- 3. Preparing a Performance Monitoring Plan**

**(See the next two pages for more information on USAID*works!*)**



## USAID works! Update

### Program description

USAID *works!* is a new distance-learning program designed to help the staff, partners and customers of the U.S. Agency for International Development (USAID) learn and practice many of the skills they need for doing business in the newly reengineered agency. With a focus on teams and teamwork (a key management vehicle for the agency), USAID *works!* provides self-instructional learning modules in both the technical areas of planning, achieving, monitoring and evaluating development strategies; and the interpersonal area of working together effectively as teams.

USAID *works!* is sponsored by the Office of Human Resources Development in USAID's Management Bureau.\* When completed, USAID *works!* will include up to 60 self-contained learning modules available in hard and electronic copy, with the potential for use in CD-ROM format. These learning modules contain information, strategies and exercises designed for learners to use individually or with their teammates.

Every learning module deals with one aspect of three key elements for success as USAID teams: their ability to develop and work effectively as teams (*team maintenance*); their ability to perform their technical function (*team tasks*); and the ability of USAID's managers to provide teams with the resources, organizational climate, etc. they need in order to succeed (*team support*). The following is a current list of USAID *works!* modules.

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\*USAID *works!* is produced by Management Systems International, through a contract managed by the Performance Measurement and Evaluation Division of USAID's Center for Development Information and Evaluation.

### These modules are available now

Check the ones you would like and see page two for ordering information.

- An introduction and guide to USAID *works!*

#### Team maintenance skill area —

- Managing the stages of team development
- Holding effective meetings
- Assessing team effectiveness
- Using active listening to improve communication
- Managing team conflict
- Using "business process reengineering" to improve team processes
- Creating a team charter

#### Team task skill area —

- Developing performance indicators
- Preparing a performance monitoring plan
- Developing results frameworks

#### Team support skill area —

- Deciding if you need a team for the job at hand

### Proposed Modules

Help us prioritize production of future modules. Put a check in the box to the left of modules you consider of most immediate importance to you and your team.

#### Team maintenance skill area —

- Becoming a high-performance team
- Establishing and conducting virtual teamwork
- Using the right problem-solving approach for the situation
- Making decisions as a team
- Giving and receiving performance feedback
- Integrating new members in the team
- Assessing & improving team leadership style

— Turn the page for more proposed modules —

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- Establishing and nurturing team empowerment and accountability
- Communicating assertively in a multicultural setting
- Valuing diversity in a development setting
- Promoting individual participation in teams
- Increasing and maintaining team morale
- Recognizing that the team's work together is over

**Team task skill area —**

- Identifying your customers, partners and stakeholders
- Creating results packages
- Understanding strategic planning
- Creating your operating unit's customer-oriented vision
- Developing customer-oriented standards for your operating unit
- Completing your customer service plan
- Finding more information about customers and partners
- Building and influencing constituencies
- Defining and analyzing your activity's development environment
- Identifying and analyzing resources and constraints from the customer and partner perspective
- Determining your customers' and partners' development priorities
- Choosing a programmatic focus
- Defining strategic objectives and strategic support objectives
- Establishing participatory processes
- Writing a strategic plan
- Using focus groups to gather data
- Examining the internal environment
- Examining the external environment
- Building institutional profiles
- Managing activities
- Conducting benefits analysis
- Contracting for performance
- Designating and managing strategic objective teams
- Monitoring, measuring and assessing participation and satisfaction of your customers and partners
- Understanding when program evaluations must be planned in advance
- Acquiring monitoring data on program performance and assumptions

- Assessing the implications of program performance for the future
- Analyzing and interpreting program performance data
- Amending program and activity plans
- Drawing on experience to create "next generation" evaluation plans
- Establishing trend lines for local situation changes over time
- Managing evaluation studies
- Preparing an R4
- Conducting diagnostic and other evaluations to fill information gaps

**Team support skill area —**

- Using coaching and counseling to enable staff
- Creating an organizational culture that promotes effective teamwork
- Managing through strategic objective teams

**Your suggestions for additional modules:**

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To order your modules,  
to tell us which proposed modules you want next,  
or to learn more about the program,  
fax this form to USAID works/202/216-3632,  
or mail to: USAID works/  
Ronald Reagan Building 2.08-041  
Washington, DC 20523  
You can also contact us by e-mail at  
usaidtheworks@hr.is

*Updated November 3, 1997*



## Developing Results Frameworks

If you and your team are beginning to think about how you will achieve one of the Strategic Objectives (SOs) upon which your operating unit, or Mission, has decided to focus—you have reached for the right module.



Your job, at this point, involves making choices about how to achieve a particular SO and explaining those choices to others. This Results Framework module can help you do just that.

There are two ways to think about a Results Framework and both are correct. The first and simplest way to define a Results Framework is as a *graphic display* of a strategy for achieving an important result. The second, and in many ways the more interesting way to describe a Results Framework, is as a *process or tool* for helping teams think through and articulate a clear and logical plan for achieving a significant result, for which they will subsequently be held responsible.

### By the end of this module, you and your team will be able to:

- ➔ Identify options, or alternative strategies, for achieving important results;
- ➔ Articulate all of the key aspects of the strategy you have selected, including those elements for which other entities, such as the government or another donor, may be responsible;
- ➔ Explain your strategy and the "development hypotheses" inherent in that strategy in "cause and effect" terms, showing how an SO is achieved by putting in place the right building blocks, that is, Intermediate Results (IRs);



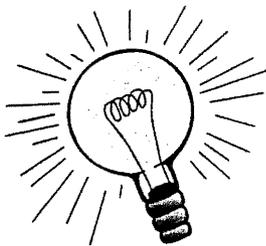
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#### Remember

If you have questions or need help with this module, you can e-mail the Hotline. See last page for details.

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- ➔ Describe any important assumptions your strategy makes concerning factors which neither you nor your development partners can control and the risks those assumptions pose for achieving your SO.



**Note:** To get the most from this module we suggest that your team work through this module together. However, if you prefer to complete this module alone, you will still benefit from learning the principles and guidelines within.

### **Thinking strategically**

If you are in New York and you need to be in Bangkok two days later, you clearly have to fly to reach your destination. But which route will you take? You can travel via Europe to your destination, or you can go via the Pacific. You need to make a choice. The number of hours in the air may not be the only important factor. As you make this choice, you may also want to consider the number of times you have to change airplanes, or airlines, and where and how long you will stop at intermediate destinations. When you weigh options against each other, you are thinking strategically. The choice you make is, by definition, your strategy.

While the strategy you and your team adopt for achieving an SO will involve factors that are infinitely more complex than selecting a route to Bangkok, the basic process of weighing options and making choices is similar—but not quite the same. The difference lies in why we need to make choices. In planning a flight path, it's simple. We can't be on two different planes going in two different directions at the same time. When we plan development programs we often find that we must choose among options—not because it would be impossible to pursue several strategies at the same time -- but because we and our partners may not have the financial resources to do so, or even if we did, the host government we are assisting might not have the human resources to pursue more than one strategic option at a time.

The ease with which you and your team will be able to define options or alternative strategies for achieving an SO is likely to depend upon a whole range of factors, including the sector or field you are working in, whether this is a new field for you or your operating unit, your ability to acquire information about experience elsewhere, the experience your host country partners and other donors can call upon, and so forth. The options you define will also

depend upon how you view the problem that led your operating unit to decide to focus on a particular SO.

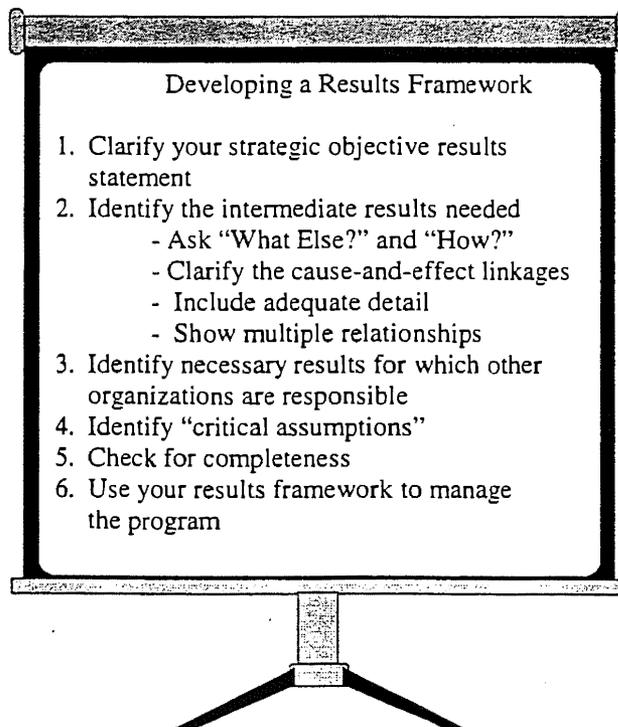
Let's take, as an example, an SO that focuses on improving educational attainment. It might read: *Education level improved*, or it might be more specific: *Number of students completing 6th grade increased*. In either case, we know that keeping children in school is an essential element of our task. So think strategically. What will keep children in school? In many developing countries, the option that USAID and its partners have identified and pursued is what might be called an "offer more" option, that is, increase the number of classrooms, make more textbooks available, upgrade the qualifications of teachers, decrease the teacher-to-pupil ratio, etc. Is there an alternative? Of course there is. There is a "require more" option. This option might involve such things as passing a law that requires all children to complete 6th grade; increasing villagers' access to fuel and water, thus freeing up children to go to school; or policy reforms that would increase national resources for education.

In principle, choosing among options involves more than simply having a preference for one strategy, that is, feeling better about "offering more" than about the implications of "requiring more." The best, or optimal strategy will often be the one that best addresses the underlying problem—the problem that led USAID to decide to establish a development program in that sector. If, for example, farmers are not producing as much as they might because prices are low, a strategy for providing them with improved access to seeds might not be very effective.

In practice, we are not always able to choose the best option. Even when we are able to identify a number of strategies for achieving an SO, we may find that some of our options—and sometimes our very best options—are not feasible, for any number of reasons, including political will. The *dilemma for USAID and its partners then becomes one of whether to choose a "second best" strategy or admit that unless a better strategy is adopted the chances for success are slim.*

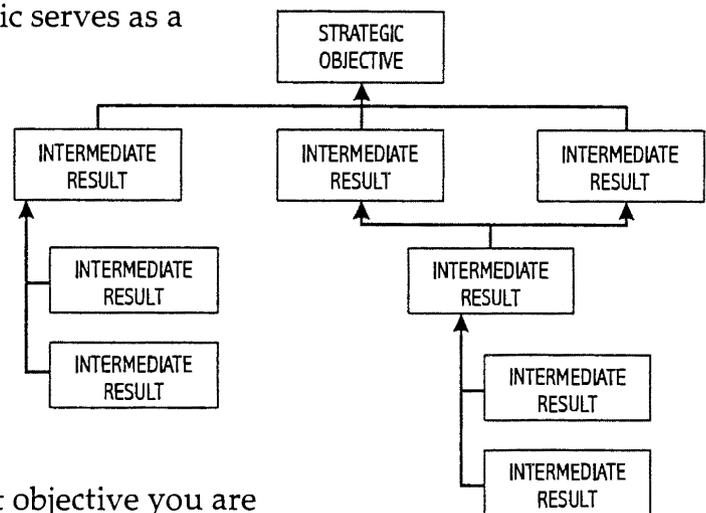
USAID operating units vary in the degree to which they incorporate an analysis of strategy options in their process for selecting SOs. As you and your team approach the task of developing a Results Framework, you may find it useful to review background documents on the sector or field on which you are focusing. Sector-wide analyses, plans developed by the host government, and evaluations of completed and on-going programs and projects funded by USAID or by other donors, or by PVOs or NGOs, may provide insights about strategic options and about why some approaches have been tried while others have not.

There are a number of different ways of going about developing a results framework. This module offers one approach that we have found useful when working with strategic planning groups. The steps start off with making sure you are clear on the highest level result you are trying to achieve with your program, then move through building and fleshing out your strategy for achieving that result, and end with using the results framework as a tool for communicating, implementing and tracking the strategy.



**Step one: Clarify your strategic objective result statement**

A Results Framework will help you and your team clarify options for achieving your SO by helping you focus on *how* your SO might be achieved and, upon analysis, whether it *can* be achieved. There is no single prescribed approach to developing and communicating a results framework. One tool that most groups find very helpful, however, is what we might call, for want of a better term, a “results framework graphic,” like the blank example below, to show the individual results to be achieved and the expected causal relationships among those results. In a results framework graphic, each separate result is displayed in a separate box, and the causal relationships among results are indicated by arrows. The use of such a visual device helps focus everyone’s attention during development of the results framework and it helps ensure that the strategy being developed is complete and logical. In addition, the final results framework graphic serves as a useful thumbnail sketch of the strategy for communicating with people outside the team. We will use and help you develop results framework graphics in this module, but please note that they are only thumbnail sketches. As such, they are generally accompanied by written descriptions, which provide important detail and explanation that cannot be captured on a one-page diagram.



In a Results Framework the most important objective you are trying to achieve becomes a starting point for doing that. Your SO and every other objective in a Results Framework is shown in a box on the graphic. The SO box goes at the top of the page. It is the pinnacle of this graphic structure—the most important thing you are trying to achieve as an SO team. All other results shown in a Results Framework lead upward to this pinnacle. (Some Results Frameworks also include high-level goals, to which the SOs are expected to contribute, but the focus of Results Frameworks is on achieving SOs.)

<b>Strategic Objective</b>
Increased completion rates among primary school children

Notice that the objective shown in this box is clear about "who" and "what." There is only one target group, namely, primary school children. Only one change is expected: by the end of the planning period, or program, children complete more grades in school than is the case today. An objective that is stated in this way is said to be *unidimensional*. From a performance standpoint, this is ideal. This objective can be measured quite straightforwardly with one or more performance indicators, that is, specific measures of the result such as: percentage of children who enter primary school in grade one who stay in school and pass the national 6th grade completion exam. Assuming that records exist for past years, targets can be established reasonably quickly and progress in terms of those targets can be monitored annually. (For help with indicators, see the USAIDworks! module, "Developing Performance Indicators.")



Before you go further, take a minute to answer this question:

➔ Is the SO which you and your team have adopted stated as a *result*?

The question is not as odd as it may seem. Sometimes we see strings of words that sound good, but if we analyze them, they don't state a result. While this happens more frequently with results below the SO level than it does at the SO level, it is well worth stopping to examine every "result statement" to make sure it is clearly stated and includes a result. Here's one we found that doesn't meet this test:

*Advocate consensus on policy change among NGOs and donor organizations.*

How would you rewrite this statement as a *result*?

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One way to revise this statement focuses on advocacy and whether it has occurred. For example, "Consensus on policy change advocated." Another approach might focus on what the advocacy process was intended to achieve, for example, "Consensus on policy change reached by NGOs and donor organizations." Both of these alternatives state results that are to be achieved. Which result statement is most appropriate will depend upon your situation at the level in your Results Framework you are trying to explain.

When results statements are multidimensional, for example, *agricultural production and productivity increased* or *mother's and children's health status improved*, it becomes harder to decide whether an objective has been achieved. What would we say, for example, if, at the end of a planning period, we could show that children's health status had improved significantly but maternal health indicators had not? Would we say that we had achieved 50% of our objective? How would we describe our success if agricultural productivity (yield per hectare) increased but production (total yield) did not?

Before you go further, take a minute to answer this question:

- ➔ Is the SO on which you and your team are focusing *unidimensional*?

While the reasons for making our objectives unidimensional are probably clear by now, some USAID operating units do have multidimensional SOs. Operating units sometimes deliberately link related objectives when stating their SOs as a means of keeping the total number of SOs on which they are focusing to a minimum. At the SO level an operating unit might, for example, say governance and democratic practices improved, even though the programs required to achieve these results differed significantly at the operational level.

If your team is focusing on an SO that has multiple dimensions, you may or may not be able to change the wording for reporting purposes; for example, the SO may have already been approved and no one in your operating unit is interested in reopening those discussions. Even when you cannot formally disaggregate an SO that has multiple dimensions, you can do so informally. You can,

for example, develop a clear strategy and Results Framework for each dimension and then, once you are confident of your plans for each of those dimensions, you can put them together in an aggregate form for presentation purposes.



Before we move to the next step in this process, take a look at the Strategic Objective your team has adopted. Write it as it is currently stated in space below.

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Now see if you can improve it. Is the result you are trying to achieve clear? Is there a single dimension to this result, or does your Strategic Objective incorporate several results statements? Is the language used complex, or even academic, or is it simple and straightforward? In the space below, rewrite your Strategic Objective, making it as clear and simple a statement of your intended result as possible:

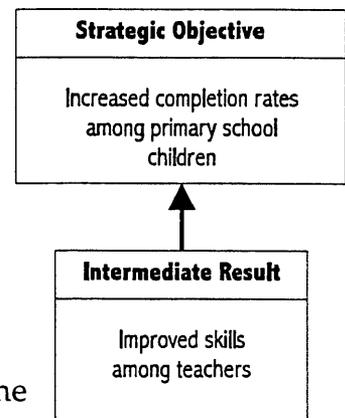
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# 2

## **Step two: Identify the intermediate results needed to achieve the strategic objective**

Once you have stated the highest objective you are trying to achieve in unidimensional terms, it is time to *elaborate* on how that result will be brought about. If you are thinking strategically, you will already have a sense of the basic options. A Results Framework can help you and your team lay out one of these options at a time. Let us say, for example, that you have selected the "offer more" option for increasing school completion rates. The Results Framework graphic at right shows how an element of the "offer more" strategy leads toward the achievement of the SO.



As this example illustrates, the elements of a strategy for achieving an SO are themselves results. They are simply results at a lower, or subordinate level. In most cases, these subordinate results, which USAID calls Intermediate Results (IRs), function as pre-conditions for the achievement of an SO; that is, they must be achieved first. IRs are a means for achieving the SO. The lines and arrows in a Results Framework signal this relationship. Arrows flow from "causes" and point to "effects."

Most of the time, the relationship between a "cause" and "effect" in a Results Framework is something about which we are fairly sure, but not absolutely certain. In this sense, the relationship is an *hypothesis*. We are saying that:

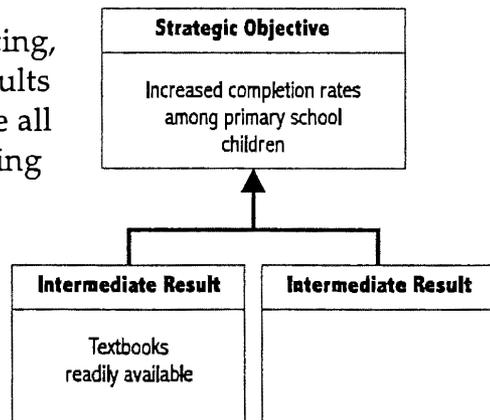
*If* textbooks are more readily available,  
*then* primary school children's completion rates will improve.

An hypothesis is something we can test. In this instance, we can provide more textbooks and see what happens.

### **Ask What Else? and How?**

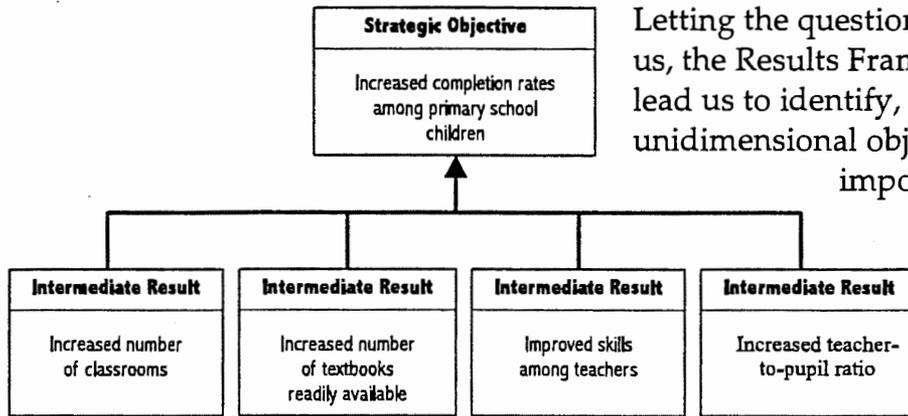
In development settings, the strategies we tend to implement, and therefore the hypotheses we are testing, are more complex. The process for developing a Results Framework will help you and your team incorporate all of the important aspects of your strategy by suggesting the directions in which that strategy may need to be expanded. One way to decide whether your strategy is complete is to ask yourself "what else" might need to be done, or put in place, in order to achieve your Strategic Objective.

How about our example here? What else, besides making textbooks more readily available, might be needed in order to achieve increased completion rates?



**What else?**

In our example, we might decide that improved skills among teachers and increased teacher-to-pupil ratio are also necessary if we want to increase completion rates at the SO level. If so, our Results Framework would look something like this:

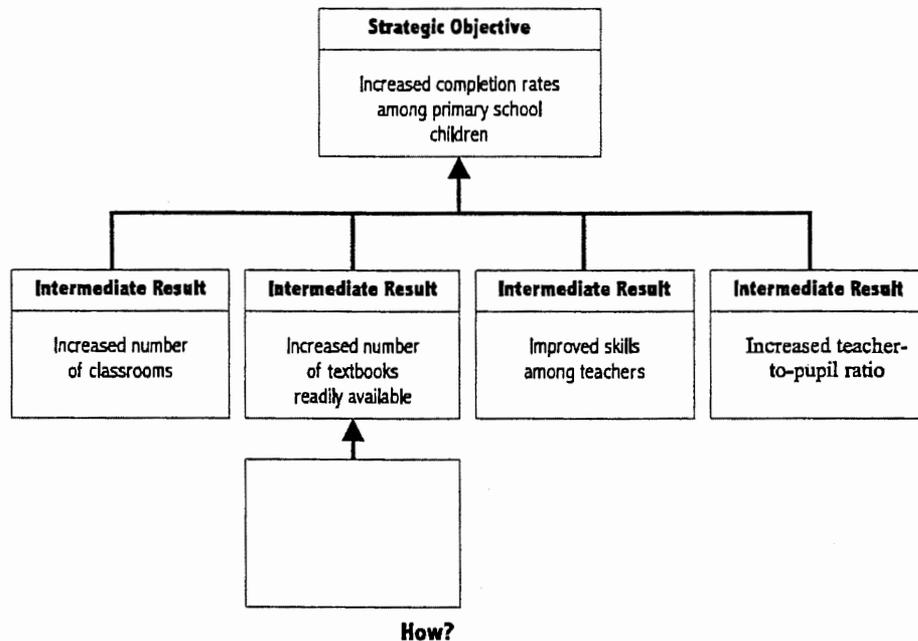


Letting the question "what else?" direct us, the Results Framework process will lead us to identify, as distinct unidimensional objectives, other important elements of our strategy.

A second important question, "how?", will help you and your team

identify the next layer of options and choices in your strategy. The question, "how," is an appropriate question to ask for every IR you and your team identify.

Look at the following elaboration of our illustrative strategy. How might we achieve the intermediate result "textbooks readily available?"



By asking these two questions: "what else?" and "how?", in relation to every result you identify, and at every level of the Results Framework you are developing, you will, within a reasonably short period of time, identify the main elements of your strategy and describe in "cause and effect" terms the relationships between the various sets of results that strategy must achieve.

### **Clarify the cause-and-effect linkages**

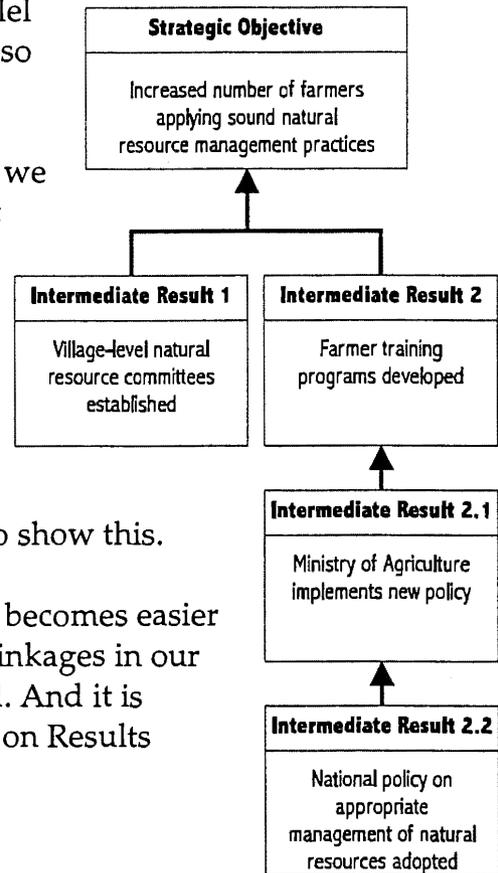
So far, the development of a Results Framework should not seem like a difficult task. That is true in part because the basic steps you have to take to develop a Results Framework *are* easy. The second reason it seems easy has to do with the examples we have presented. The relationships they describe are not controversial. The elements of the strategy for improving educational attainment shown in the example above have been included in education strategies all around the world. What happens, then, if you and your team are working in a relatively new field, perhaps on environment or democracy? One of the things that tends to happen is that "cause and effect" questions, and detailed questions about "how" results will be achieved are sometimes inadequately addressed in the early stages of the process. As a result, teams end up with a "rough" Results Framework that will give them endless problems when they begin to develop lower levels of their hierarchy of results.

Take, for example, an SO that reads: "increased number of farmers applying sound natural resource management practices." Achieving that objective may require a strategy that puts in place new laws, mechanisms for enforcing those laws, training programs, credit, and a number of other results. At a general level, the team that is working on this SO may view each of these strategy elements as being important. When they first create their Results Framework, they may, as a result, treat each strategy element as if it belongs at the same level in their hierarchy of results.

Look over the following two-level Results Framework that might have been generated by this team. What problems do you see? What happens when you begin to ask "how" any one of the IRs in this diagram might be achieved?



Let's analyze this diagram together. Notice on the far right, in IR 4, that the Ministry of Agriculture is expected to implement the new policy. If we think about what it will take to reach that objective—that is, what lower level results would need to be achieved—we might say that new policies would have to be adopted. Look at the diagram again. The adoption of a new national policy is already there, in IR 2. But it appears to be a parallel result. Let's move it down a bit, so that its role in bringing about policy implementation becomes clearer. Are there other changes we might make? For example, what will bring about the development of new training programs for farmers, the result in IR 3? Might that be a result that occurs if the ministry implements new policies? If we think it would, we need to revise the diagram to show this.

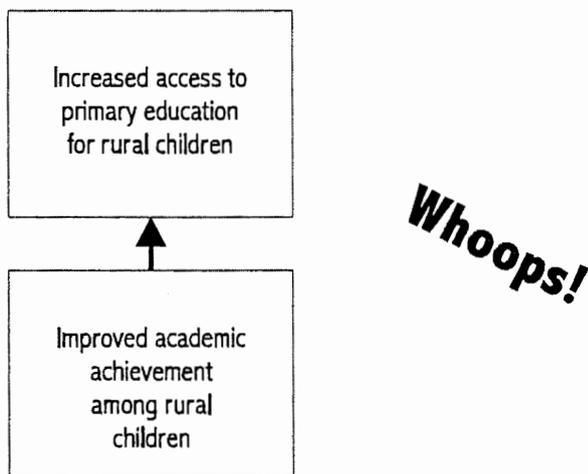


If we make these two changes it becomes easier to understand cause and effect linkages in our Results Framework. That's good. And it is exactly what USAID's guidance on Results Frameworks asks you to do.

*"A results framework must provide enough information so that it adequately illustrates the development hypothesis (cause and effect linkages) represented in the strategy and therefore assists in communicating the basic premises of the strategy."*

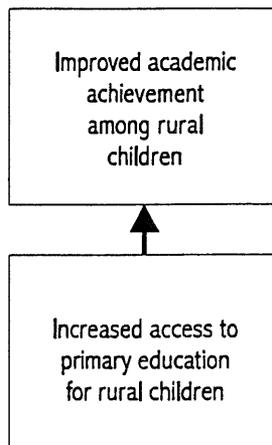
Agency Directives

Results Frameworks are not adequate if they do not display cause and effect relationships. Putting everything at the same level is only one of the impediments to clarity in a Results Framework. Another fairly common problem in Results Frameworks occurs when cause and effect are inverted and stated "upside down." While it isn't always clear how this happens, it does happen and it is often worthwhile to ask someone who is not on your team -- for example, one of your external partners or a virtual team member -- to review your draft Results Framework. Friends like that will help you catch mistakes like this:



Do you see what has happened here? Increased access to education, which is one of the things that can contribute to improved academic achievement is shown as the result of better performance, not as its cause. This reasoning is "upside down." Let's fix it by inverting the boxes. Remember, in a Results Framework, arrows always point upward -- from causes to their effects.

**Now that  
makes more  
sense!**

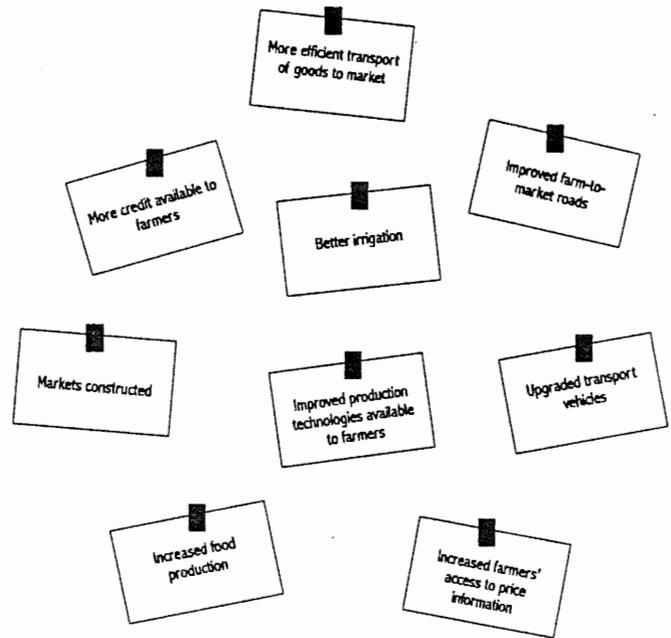


**Include adequate detail**

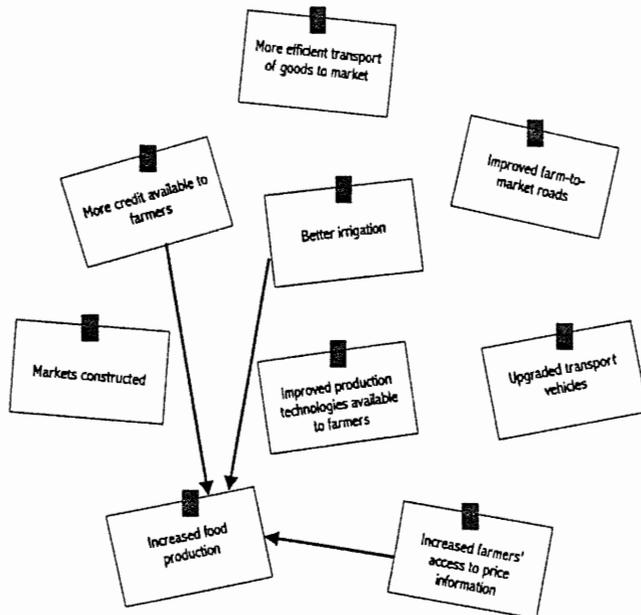
Many people ask how detailed a Results Framework should be. How many levels should be shown? How many times should we ask “how?” as we work down from our Strategic Objective to Intermediate Results? There is no right answer to this question. For presentation purposes, for example, to your partners or for USAID/Washington, you may want to keep it simple and show only one or two levels of IRs below your SO. For the team itself, and for those who will help the team implement a program for achieving an SO, however, additional levels can be extremely useful, since they tend to be more specific and detailed than are higher levels of a Results Framework. *So, the answer to the question of how much detail depends on how and with whom you will use the Results Framework.*

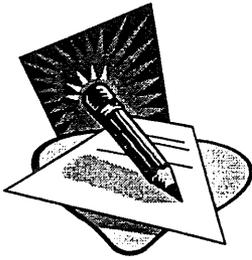
**Try Brainstorming:** While some teams may find it easy to develop their Results Frameworks by repeatedly asking “what else” and “how,” other teams find that this step-by-step process cramps their thinking. To open up the process and make it freer and more creative, some teams use a “brainstorming approach.” These teams start with their SO. Their second step is very open-ended. They simply ask one another to identify all of the results—everything they can think of—that must be accomplished in order to achieve the SO. Everything they think of is noted on individual sheets of paper and pinned or taped to a large wall where everyone on the team can see these results statements.

At the beginning of this process, there is no concern for order or hierarchy—only ideas. Sometimes the ideas that come out will all be part of a single strategy. But if strategic options have not been explicitly discussed ahead of time, the wall of ideas may contain fragments from several strategies. The diagram on the right shows some of the ideas that might emerge in relation to an SO that calls for *increased availability of food in domestic markets*.



When a brainstorming process is used, the "cause and effect" relationships among various results are not considered until after the team generates a wall of ideas. Once that step is completed, the team must ask itself "what causes what" and begin to draw the lines that will eventually allow it to prepare a graphic that clearly demonstrates hierarchical, means-ends relationships. The following shows how you might begin making cause-and-effect connections in the brainstormed bunch of results:



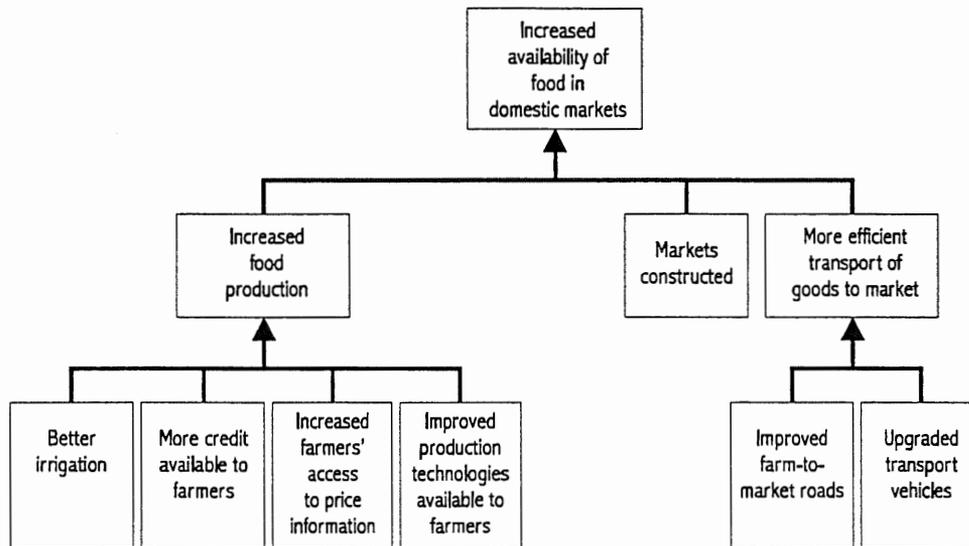


Just to make sure you understand how to move from a wall of ideas to a Results Framework, use the space below to rearrange the results shown above into a Results Framework hierarchy like the one started for *childrens' educational attainment* above.

Increased  
Availability of  
Food in  
Domestic Markets

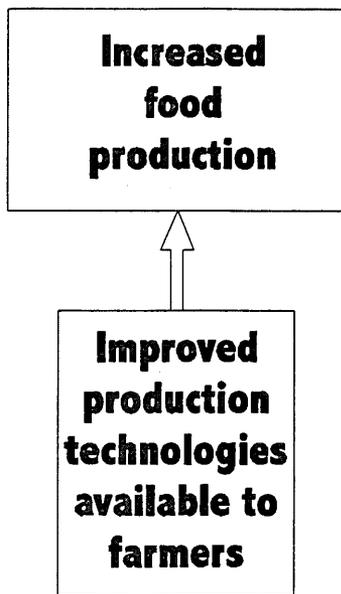


After you have completed this exercise, look at our suggested version of this Results Framework in the next diagram. If it does not look like yours, ask yourself if you carefully applied the “what else” and “how” questions in your version.



Another important thing to think about with respect to the level of detail in your Results Framework is whether the framework includes *all* the results that you consider important. By important, we mean from the perspective of *managing for results* and *measuring progress over time*. Once completed, the Results Framework will serve as the basis for implementing your strategy and for measuring its progress. And your performance indicators will be developed on the basis of specific results contained in your Results Framework. Therefore, you do not want to leave out any results that are strategically important.

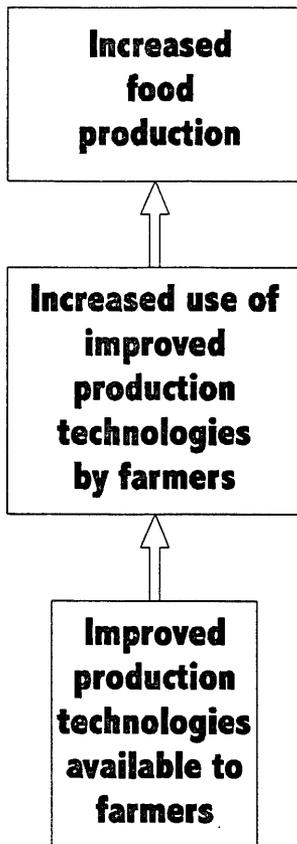
To illustrate this point, let's look at part of the draft Results Framework presented here. If we were managing this part of the program—and measuring progress along the way—would we be comfortable with merely measuring the level to which improved technologies were available to farmers and then waiting to see if production improves at the next level up in the Results Framework? What if we were to find that food production did not increase, despite the availability of improved technologies?



There is quite an “assumptive leap”--as one of our colleagues likes to put it--between farmers having access to new technologies and their actually producing more food. What is the missing link?

You probably guessed correctly: we would likely want to know if farmers are actually *using* the improved production technologies, and we would probably want to know this sooner rather than later. If it were to turn out later that food production did not increase as we had expected and the reason was that farmers had not been using the new technologies, we would certainly wish we had known that sooner. So, a more strategically and managerially useful revision of this piece of the Results Framework would look like this:

**Show Multiple relationships**



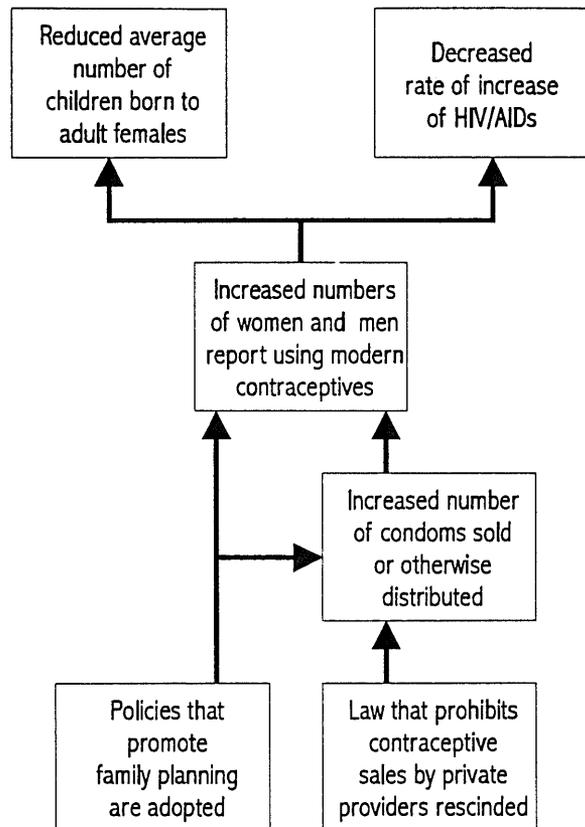
When teams are developing their Results Frameworks, they sometimes find that a fairly low-level result, such as a policy change, affects more than one part of their results structure or hierarchy. Since a Results Framework is a *flexible* rather than rigid tool for displaying results and their relationships, teams are encouraged to identify causes that have more than one effect in their diagrams.

Look at the example on the next page. It shows that the intermediate result, “policies that promote family planning are adopted,” is expected to have an effect on two distinct other intermediate results, “increased number of condoms sold...” and “increased numbers of women and men report....” Similarly, the intermediate result, “increased numbers of women and men...” is expected to contribute to both “reduced average number...” and “decreased rate of increase of HIV/AIDS.”

When you are developing your own results framework, pay attention to the important multiple relationships among expected causes and effects.

Now it's time to apply your understanding of how to develop a Results Framework to the Strategic Objective for which your team is responsible. You may be reading this module at a point where you and your team already have a draft Results Framework. That's fine. But set it aside for a moment as you do this exercise. You may find that your new understanding of how to develop a Results Framework leads you to produce a different, and hopefully clearer, version.

- ➔ Start by writing your Strategic Objective in the box on the next page.
- ➔ Use the revised version you created in the last exercise -- the version that states the result you intend to produce very simply and very clearly.
- ➔ Now ask **"how?"** and begin to develop a second level of results—or IRs—that answer that question. Make sure that each IR you put in a box at the next level is stated as a clear result. Also make sure that it passes the test of being a reasonably direct cause of your Strategic Objective.
- ➔ When you think you have completed this level, ask **"what else?"** Think about any important factors you may have left out. Put them into your Results Framework, making sure that you have stated them as results. Continue on in this manner, asking "how" and "what else" until your Results Framework tells the story of your strategy in a full and complete way.
- ➔ Ask whether the arrows in the Results Framework reflect **clear cause-effect relationships**.
- ➔ Pay attention to the **level of detail** you need to lay out and communicate your strategy.
- ➔ And, finally, indicate important **multiple cause-and-effect relationships**.



Your Team's  
Strategic  
Objective:



### **Step three: Identify necessary results for which organizations other than USAID are responsible**

No matter which process you and your team use for identifying the elements of your strategy for achieving a particular SO, it is likely that you will identify some over which USAID will not have direct control. If you ask the question "what else" often enough at any level in a Results Framework, you are bound to run into answers of this type. Some elements over which USAID will not have direct control will turn out to be important Intermediate Results that, while essential for your strategy, are being produced by some other entity, for example, a Ministry or another donor. From USAID's perspective, this kind of sharing of responsibility is a good thing. Working alone, USAID might not have sufficient resources to implement as optimal a strategy as it can pursue if it works collaboratively with others. Results Frameworks which incorporate the results for which USAID's development partners are taking responsibility tend to highlight these results by showing the name of the responsible party in the results box. Sometimes these results boxes are shaded or have dotted line borders, or some other distinguishing feature.

# 3

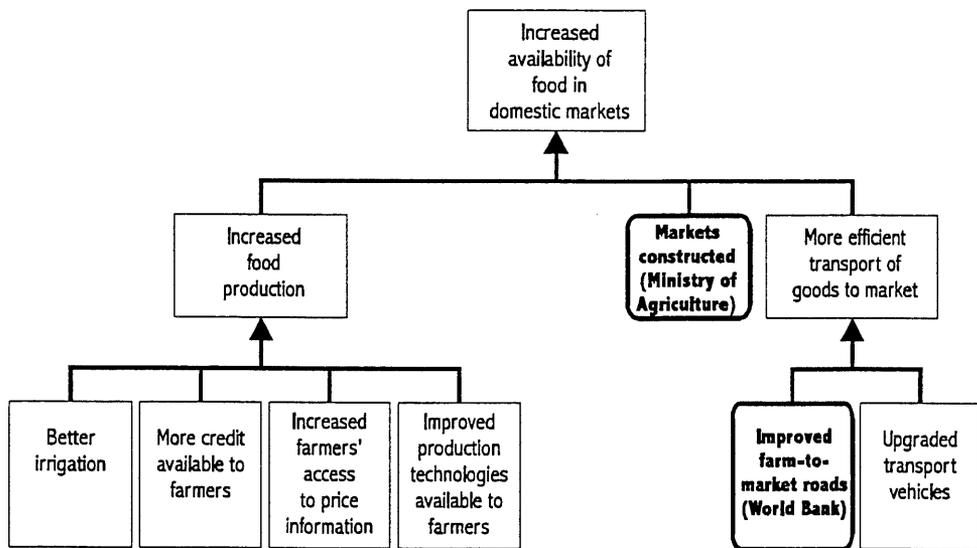
*"The results framework shall include any key results that are produced by other development partners (such as non-governmental organizations, the host country government, other donors, and customers)."*

Agency Directives

Look back over the Results Framework you have developed for the Strategic Objective on which you and your team are working. Are any of the results in that framework results for which another donor is responsible? If so, include the responsible organization's name in the box, as we have done in the example below. Now look at your Results Framework with an even more critical eye. Did you fail to include some important results when you asked "what else" because you and your team were not prepared to accept responsibility for producing these results? If you left important results out of your Results Framework simply because you could

not commit to producing them, your strategy may be incomplete. Go back and add those important results for which another organization is responsible -- or for which some organization should be responsible, even if none has yet volunteered for that role.

*Recognizing that there is an important result that has to be produced for your strategy to succeed is particularly important if no one is currently doing that job. Even if USAID is not prepared to add that result to the list of results for which it will accept responsibility, you may be able to play a catalytic role in ensuring that some other organization does. If you cannot enlist another organization, your strategy may be at serious risk of failure.*



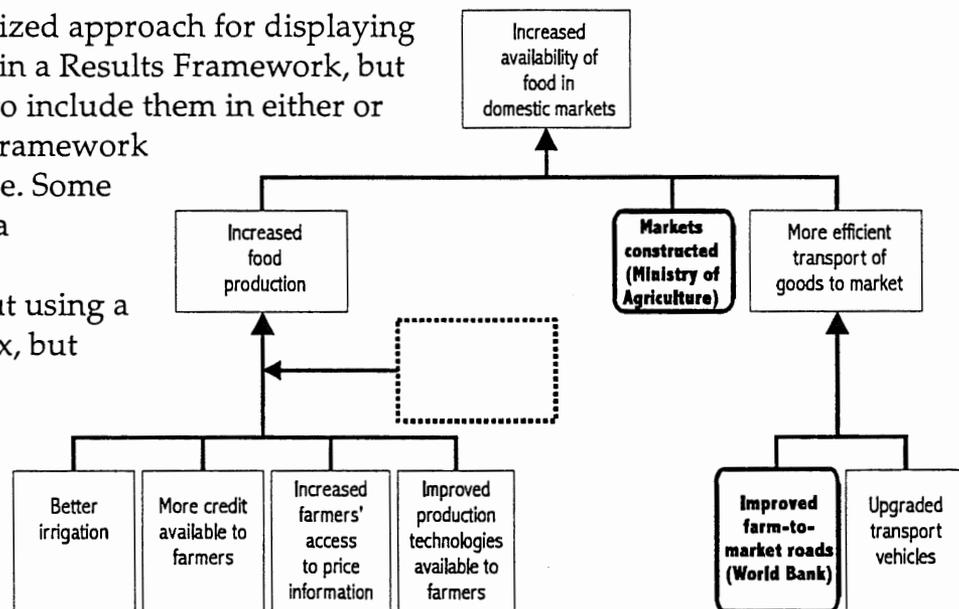
**Step four: Identify the “critical assumptions” inherent in the cause and effect hypotheses that connect the levels in your results framework**

4

In addition to the results for which USAID's development partners are prepared to accept responsibility, teams often find that there are some critical factors over which neither they nor their partners have control. In agricultural programs, for example, the level of rainfall in a given year may be critical, but it lies beyond our control. Important factors in a strategy which lie outside our control are called *critical assumptions*.

In most programs we make a number of basic assumptions, for example, that there will not be an unexpected change in government in the host country; that USAID will continue to operate in a particular country with roughly the same budget level as it has now; and so on. Since these assumptions underlie all of USAID's programs it is not necessary to point them out for every SO strategy. On the other hand, there may be some assumptions that a team is making which are absolutely critical for the success of the strategy it is proposing. When this occurs, the team has a responsibility to share its assumptions—by stating them in the text that explains the strategy or, even better, by displaying them in the Results Framework.

There is no standardized approach for displaying critical assumptions in a Results Framework, but it is very important to include them in either or both of the Results Framework graphic and narrative. Some teams simply insert a description of their assumptions, without using a box. Others use a box, but highlight it by using dotted lines, as shown at right.



When you and your team think about the critical assumptions you are making, or describe them for others in a text that accompanies your Results Framework, it is often helpful to estimate the chances, or probability, that your assumption will or will not hold true.

- If your strategy depends upon a certain level of rainfall each year, what are the chances that there will be less rain, given what is known about rainfall levels in past years? What is the probability that the rainfall you need will occur? 80%? 70%?
  
- If your strategy for improving the health status of children depends upon an assumption about the degree to which the Ministry will shift its resources from curative to preventive care within two years, what are the chances that this won't occur, or that the shift will be less dramatic than you are assuming? What is the probability that the assumption will hold? If it is entirely a certainty, then it is not an assumption. Is the probability of your assumption holding true very high? Or is it relatively low? If the probability is low, then you are probably taking a significant risk. Is there anything you or another donor could do to influence the Ministry's decision—to, in effect, shift the probability of this assumption holding true from low to very high?

Before proceeding to the next step, go back to the exercise page where you developed a Results Framework for your Strategic Objectives. What critical assumptions did you make as you developed this strategy? At what levels would these assumptions have an effect? Using a different color pen, or dotted line boxes, add your critical assumptions to your Results Framework. How many such assumptions did you add? What risk do they pose to your strategy?

In the space below, try summarizing the way in which you view the overall risk to your strategy from critical assumptions. Can you describe this risk in terms of the probability your strategy will succeed?

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If the risk that assumptions pose to your strategy seems high, go back and look at those assumptions. Are there any which you could influence either through advocacy or some other action? If the answer is yes, how would you build those actions into your strategy? What new results need to be added to your Results Framework to give you greater control over your critical assumptions? You might not be able to change the level of rainfall, but you might be able to build more water storage systems, or do something to make existing irrigation systems more efficient.

### **Step five: Check the completeness of your results framework**

Many teams ask how they will know when their Results Framework is complete. As noted above, the number of levels in a Results Framework is really a question of the level of detail that is useful for different levels of management. Senior managers may want more of an overview, and thus fewer levels in the version of an RF than does an SO team and the intermediaries who will help that team implement its strategy. So the number of levels in a Results Framework isn't really a good test of completeness.

# 5

"It is critical to stress the importance of not rushing to finalize a Results Framework. It is necessary to take time for the process to mature and to be truly participative. The entire process has taken considerable effort, but we are certain that our plan reflects the priorities of the host government and the other donors active in the environmental sector. Most importantly, our partners and customers have taken ownership...because they have been thoroughly involved."

*USAID Staff Member in Africa*

A better test of the completeness of a Results Framework is the degree to which it lays out clearly, and in a credible "cause and effect" chain, the various elements of a strategy—both results and assumptions—that must be in place to achieve an SO. All the key elements need to be present and, by the same token, there should be no elements included that are not needed. *One way to "test" the credibility of a Results Framework is to start at the bottom and*

*check the logic as it rises up through the diagram's hierarchy.* For each result at the bottom of the diagram, ask:

- ➔ Is this result a clear and unidimensional statement of what we need to accomplish? Do I understand it well enough to be able to define ways to measure whether it has been achieved? Would someone unfamiliar with our program understand it?
- ➔ Why is the result presented? Do we believe that it causes or contributes to the achievement of the result above it to which an arrow is pointing?
- ➔ Is the result sufficient by itself, or are the other results presented at the same level also necessary for achieving the result to which the arrow points? Are any of them unnecessary? Would we fail if one or more of the results at this level were dropped from the strategy? Does this result or the set of results pass the "if/then" test?

*If* the law is rescinded,  
*then* private providers will begin supplying  
contraceptives through private clinics and  
commercial channels.

Do we believe this?

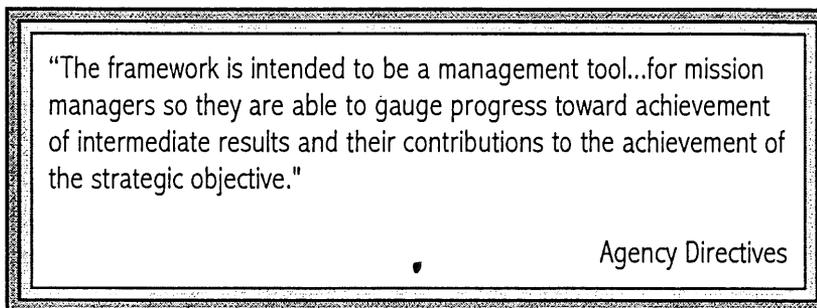
- ➔ What, if anything, is missing in the "cause and effect" logic presented in the diagram? Could we accomplish all of the results at this level and still fail to achieve the objective to which the arrow is pointing?
- ➔ Do all the cause-effect relationships make sense? Do we have our arrows pointing in the right direction and do they reflect any multiple cause-effect relationships?
- ➔ Have we indicated the responsibilities of other organizations (if any)?

- ➔ Are the critical assumptions associated with each set or level of results reasonable, or are there some that have such a low probability of being valid that the whole strategy is jeopardized?

All of these questions can help you check on the soundness of your Results Framework.

Presenting your Results Framework to a broader audience gives you and your team another kind of opportunity to validate your work. Look at these interactions as opportunities for making your Results Framework stronger and more useful to your team, not simply as external reviews you must survive. Feedback is always useful.

### **Step six: Use your results framework as a management tool**



# 6

Sorting out the cause and effect logic inherent in the strategy you and your team have chosen for achieving a particular SO and presenting that strategy concisely to others are but two of the ways in which you can use a Results Framework. A Results Framework can also be useful when:

- ➔ It is time to develop "results packages"—sets of activities and results which are to be pursued by results package teams and implementing agents. With a Results Framework in hand, logical groupings, below the SO level, are often quite apparent. It is also possible to design appropriate Results Packages that reach across two or more Results Frameworks by laying them side by side and identifying common themes and requirements.

- ➔ You are developing performance indicators for key results to be monitored over time, or you are working with implementing organizations, for example, universities, NGOs, etc., and you are collectively making decisions about who will gather the data for performance indicators. A Results Framework helps everyone understand the various levels involved and divide responsibilities accordingly.
  
- ➔ An annual performance review tells you that performance on a particular indicator for a particular result is lower than expected. When this occurs, you need to determine "why" as quickly as you can. A Results Framework that describes all of the results and assumptions that support the non-performing result will provide you and your team with a road map for this investigation.
  
- ➔ A performance review tells you that one of your results is being achieved ahead of schedule. When this situation arises, a well-developed Results Framework can help you decide how to reallocate the resources that will now, unexpectedly, become available.

These are only a few of the ways in which you are likely to use a Results Framework once you have developed it. The tool is yours now. Make the most of it.



## Developing Performance Indicators

This module begins with the assumption that you and your team have identified some results that you want to achieve or some objectives to accomplish, and you want to monitor your progress in achieving them over time. Although aimed at monitoring development program results, the module also applies to assessing any intervention or program designed to bring about intended effects— be it at the program level, the team improvement level, the in-house service delivery level, and so on.



The centerpiece of a sound plan for monitoring program results is a good set of performance indicators. Performance indicators help inform us, our managers and our stakeholders about the extent to which we are achieving our expected results. Performance indicators are the basis upon which we collect performance data critical to both managing for and reporting results. This module is designed to help you develop sound, useful and usable performance indicators, as part of a larger effort to monitor progress.

The module is divided into two sections: In Part I you learn the concepts you will need to create your own performance indicators. Part II is a step-by-step guide for you to follow as you develop your own indicators.

(In another USAIDworks! module, "Preparing a Performance Monitoring Plan," you and your team can learn how to plan for the collection of data on the basis of your performance indicators.)

**Note:** We encourage you to work through this module with your colleagues. The value in doing it with a group lies in what you will learn from one another through discussion and group involvement in the exercises, especially those dealing with real performance indicators of interest to you.

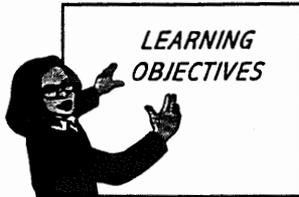


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**Remember**  
If you have questions or need help with this module, you can e-mail the Hotline. See last page for details.

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**By the end of this module you will be able to:**



- explain the important role that performance indicators play in managing for results
- identify the basic characteristics of useful performance indicators
- develop performance indicators for results that you are trying to achieve

**A few important definitions**

<b>Term</b>	<b>Definition</b>	<b>Ask Questions</b>	<b>Example</b>
Result statement	The effect or change in conditions expected from successful implementation of a particular program, activity, or intervention.	"What are we trying to achieve?"	Improved performance among students completing a basic word processing training program.
Performance indicator	An observable or measurable characteristic that shows, or "indicates," the extent to which a result is being achieved.	"How can we determine whether we are achieving the result? What will we look at? What will we measure?"	Level of speed, with accuracy, in word processing. More specifically: number of words typed per minute divided by the number of typing errors.
Performance target	The expected level of achievement of the result, as stated in terms of the performance indicator, within a given period of time.	"How much of the result do we expect to achieve, and by when?"	By completion of the training course, 80 percent of the participants will have a performance indicator score of 25 or higher.
Method of data collection	The tool or process to be used in obtaining the data for the performance indicator, so that we can determine whether the performance target is being met and the result is being achieved.	"How are we actually going to get the data we need?"	A word processing test administered to training participants upon completion of the training program.
Baseline data	The condition or level of performance that exists prior to implementation of the program or intervention. Because performance targets set the amount of change expected over time, baseline data are needed to establish the starting point.	"What is (or was) performance as we begin (or began) the program or intervention designed to produce a result?"	Before the training course, none of the participants are able to do word processing with a score of 25 or higher.

## **PART 1 Preparing to develop performance indicators**

### **What are performance indicators?**

Look for a moment at the definitions in the box on page 2. These are the important key elements of performance measurement.

A performance indicator is a phenomenon (that is, an event, a characteristic, a condition, etc.) that we can observe or measure which tells us (as accurately and reliably as possible) whether our efforts are having their intended effect.

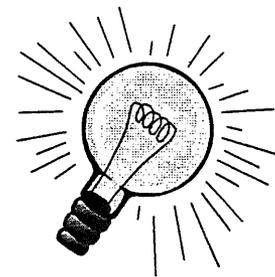
Performance indicators are essential tools in monitoring performance, and, therefore, in making important strategic decisions and managing for results.

*For strategic objective teams and results package teams, developing sound performance indicators for their results statements sets the stage for setting reasonable performance targets, and collecting useful baseline and performance data on strategic objectives and intermediate results.*

With those data, teams can judge whether results are being achieved. The data obtained on the basis of performance indicators are also a key means for reporting results.

Note: the data collected on the basis of performance indicators may not necessarily tell us whether our development hypotheses are working or whether it is our program activities that are actually producing desired results. (It 's possible, for example, that the results are being achieved because of some other influences in the environment.) *Data from performance indicators for a specific result tell us only whether results are being achieved, not why or why not.* For answers to the "why?" or "why not?" questions, we may need to look at the performance data for lower-level results in our program or we may need to conduct some program evaluation research.

If our performance data tell us that the results we want are not being achieved, we can conclude at least that our program is not



working—that is, it’s not the right program or it’s not being implemented as we expect. In this case, we would want to look at the data for lower-level results that were expected to contribute to the result in question, to see if our answer to “why not?” may lie in the performance of those results.

Here are some examples of result statements and associated performance indicators:

**Some Examples of Performance Indicators**

<b>Result Being Measured</b>	<b>Performance Indicator*</b>
Increased educational attainment among primary school graduates	Average scores on a standardized test of educational achievement
Strategic objective teams have accomplished a successful start in their operations.	Number of strategic objective teams that have all of the following in their files: (a) a completed and agreed-upon team contract; (b) a list of core and extended team members; (c) a customer service plan; (d) an approved results framework; and (e) a complete performance monitoring plan.
Improved efficiency of the operating unit’s administrative office	Number of complaints regarding delays (or time-consuming errors) in payment of invoices received from contractors and grantees and/or  Average amount of time between receipt of an invoice and issuance of a check to the contractor or grantee
Broadened access of micro entrepreneurs to financial resources and services	Number of micro enterprises receiving loans through the formal credit system and  Total amount of money lent to micro enterprises
Increased use of effective maternal and child health services	Percentage of diarrheal disease cases among children under the age of five who receive treatment within two weeks of onset of disease

\*Note that, in some cases, one or even two performance indicators may not be sufficient to measure a result adequately. In those cases, can you think of additional indicators that might be useful?

**Practice in creating performance indicators**

Let's start with a simple example from everyday life to see what performance indicators are all about.



Suppose you grow tomatoes in a vegetable garden every year, and, this year, you want to improve the crop of tomatoes that you produce. You have developed, and are implementing, a "program" to improve your tomatoes. You are spacing your tomato plants farther apart than usual, you are using a new kind of fertilizer, and you are watering the tomatoes on a more regular schedule than in the past. How will you know whether your improvement program is working? Think of some possible indicators to assess the results of the program, and list them here:

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If you did this little exercise with some of your colleagues, it is likely that each of you came up with some different performance indicators for the tomato improvement program. The list probably includes some of the following:

- Number (or kilograms) of tomatoes harvested per plant
- Average size per tomato harvested
- Average level of "juiciness" per tomato harvested (as determined, perhaps, through personal observation or a more precise measure of the amount of juice in a sample of tomatoes)
- Level of tastiness, or sweetness, or richness of color, or firmness, etc. (as determined, perhaps, by your own observations or those of the people with whom you might share your tomatoes, i.e., your "customers")
- Average number of birds that are attracted to the tomato garden on a daily basis (this one assumes that birds are good judges of improvements in tomatoes!)

The example demonstrates that the specific performance indicator(s) you choose for an intended result depend on how you define the result. For some people, an “improved tomato crop” may mean an increase in the number or volume of tomatoes harvested; for others, it may mean improvements in the quality of the tomatoes, such as their taste or color or firmness or juiciness. Indeed, several different performance indicators may be needed to assess whether the tomato crop has been improved.

You will also notice that some of the possible performance indicators listed above or in your own list are quantitative in nature and some are more qualitative. Quantitative indicators involving numbers and percentages are generally less ambiguous and subjective than are qualitative indicators like visual observations and, in our case, taste tests.

*A general rule of thumb:  
if a quantitative indicator can assess a  
particular result  
as well as a qualitative one can,  
then we should choose the quantitative  
indicator.*

The more precisely we can initially define the result we are trying to achieve, the more likely will we be able to identify (and agree upon) useful performance indicators. And, if we do happen to start out with a rather general result statement, such as “improved tomato crop,” the exercise of identifying performance indicators will inevitably force us to become clearer about what we are trying to achieve.

This example highlights several important characteristics of useful performance indicators:

- (1) They should help you measure the actual result you are trying to measure—they should be as *direct* as possible.
- (2) They should be unambiguous, precise and agreed upon by you and the other members of your performance measurement team—they should be *objective*.

(3) They should sufficiently measure the most managerially important dimensions of the result to be achieved—that is, they should be *adequate*.

(4) They should, to the extent possible and reasonable, be *quantitative*.

(5) They should allow for the systematic collection of performance data that can be obtained without too much cost and effort, and data in which the team can have confidence—they should be *practical* and *reliable*.

We will spend more time on these characteristics of useful performance indicators later in the module. The point to be made here is that, even with a simple example like assessing a program to improve one's tomato crop, just about all the characteristics of good performance indicators come into play.

*The main point to remember:  
Identifying sound performance indicators  
is really a matter of good common sense.*

There is one more thing that you probably have already noticed about performance indicators. To use them effectively to assess results, we need comparative data, that is, both “baseline” data that tell us what conditions with respect to our expected results were like before our program or intervention was implemented, and data that tell us on a periodic basis whether the results are being achieved while the program is being implemented. Also, to truly manage for results, we need “performance targets,” which establish, for each indicator, the level of results that we expect will be achieved over the course of time. (These two important elements of a performance measurement system, which were defined above in the box on page 2, are not covered in this module. You can learn more about them, however, in “Establishing Performance Targets,” TIPS, No. 8, which is available from USAID’s Center for Development Information and Evaluation.)

**Match the performance indicator to the results statement**



Let's try another exercise just to make sure we can recognize a performance indicator when we see one. Look at the two lists below. The first is a list of various result statements. The second is a list of various possible performance indicators. Match each result statement in the first list with a possible performance indicator in the second list by drawing a line connecting the two. We have connected the first result statement to a performance indicator to get you started.

Result Statement
1. Democratic reforms implemented
2. More balanced team participation
3. Improved climate for small and medium enterprises
4. Increased delivery of reproductive health services
5. Improved health status of women of child-bearing age
6. Improved administrative services to operating unit offices
7. Increased accountability of local government institutions
8. Increased dissemination of information on preventive health practices
9. Improved living conditions in urban areas
10. Increased adoption of preventive health practices
11. More effective team processes

Possible Performance Indicator
a. Percentage of women of child-bearing age using one or more clinic-provided reproductive health services per year
b. Average amount of time (in days) it takes to process an application for a business license
c. Percentage of local government agencies conducting and publicizing standard annual financial audits
d. Visual differences between representative "before" and "after" photos showing the amount of trash lying in several city streets
e. Team members' ratings of the extent to which they think the team is meeting its objectives
f. Percentage of women who have attended a hygiene training program who report washing their hands before cooking on a regular basis one month after the program
g. Maternal mortality rate
h. Number of women who complete a three-day family hygiene training program
i. Percentage of customers who report satisfaction with the services they have received during the past quarter
j. The absolute difference between the average amount of time spoken in a team meeting by those actually speaking and the average amount of time if all team members were to have spoken
k. Certification by a panel of experts that local elections have been conducted freely and fairly

Let's see how your answers compare to ours. Turn to the next page to see if you made the same matches as we did.

**Our answers to the exercise are as follows:**

1 = k. This is a qualitative indicator, which is often used with others to signal broad change in the direction of more democratic government. One could, perhaps, use a quantitative approach, by assessing each specific local election and then counting the number that were rated as having been conducted freely and fairly.

2 = j. More “balanced” team participation might be measured by the relative amounts of time members speak in team meetings. If, for example, 5 team members all participated equally in a one-hour meeting, the value on this indicator would be zero—[60 minutes divided by 5] minus [60 divided by 5]; but if only 3 of the 5 members participated, the value on this indicator would be 8—[60 minutes divided by 3] minus [60 divided by 5]. So, the lower the value, the more balanced the participation. While this indicator may be a fairly good one for measuring balanced participation in terms of time, it offers nothing with respect to the quality of the participation. Also, it may not be a very practical one. To obtain data for this indicator, someone would have to sit through team meetings and literally record the amounts of time team members say something.

3 = b. This would be a reasonable performance indicator, if we can assume that an improved climate for enterprises would include faster processing of business license applications. However, unless the program is dealing exclusively with that one aspect of meeting entrepreneurs’ needs, additional performance indicators may be advisable in order to get a broader sense of performance.

4 = a. We hope you did not choose g., because maternal mortality rate is an indicator of the likely effects of the delivery of reproductive health services, not the services themselves. Someone might quibble that “delivery” (in the result statement) and “use” (in the performance indicator) are not exactly the same; but they are close enough in practical terms for our purposes here.

5 = g. This is a standard measure of women’s health status used in many programs.

6 = i. Customer satisfaction ratings are a common type of indicator for measuring the quality of services rendered. Quality could be measured in other ways, for example, by having experts review and judge the services delivered. Such an approach may be better in cases in which the customers are receiving services that are always a source of contention no matter how good they are.

7 = c. Note that the indicator says “conducting and publishing” audits. Merely conducting audits might not be a very good performance indicator for increased accountability. It’s what is done with those audits that matters.

8 = h. We hope you did not choose f. That indicator is a measure of the behavioral results of disseminating information, not of the level of dissemination itself.

9 = d. It is fair to say that clean streets are an indicator of good urban living conditions. This qualitative indicator could be converted into a quantitative one by counting the number of pairs of photos that show improvement.

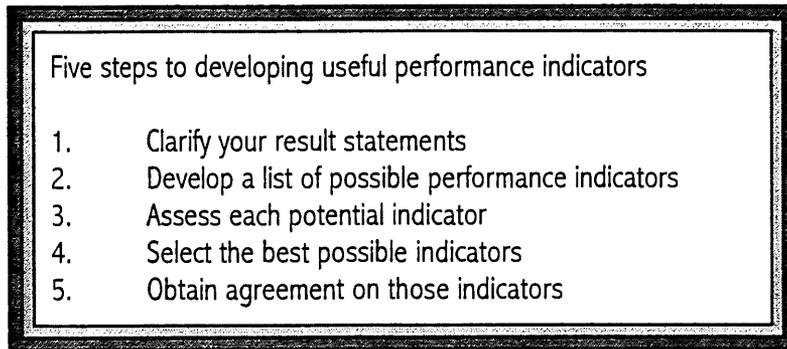
10 = f. Assuming that washing hands before cooking is a representative practice among those covered in the training program, this could be a good indicator of increased adoption of practices. If we expect a wide range of practices to be adopted, we may need additional indicators. Note also that people’s reported behavior is not a true measure of actual practice, but, in many instances, it would be too costly to try to observe and count actual instances of the behavior we are trying to increase with our program.

11 = e. The extent to which the team is meeting its objectives—or, in this case, team members’ observations of how well the team is doing—may be a fair indicator of the effectiveness of team processes. If, however, the team could be achieving its objectives despite the effectiveness of its processes, this may not be a good indicator.

So, how many of items 2-11 did you get correct—correct, that is, by our standards? Do you think your score on this little exercise would be a good performance indicator of the result we were trying to achieve, which was to increase understanding of what a performance indicator is? Was this a fair exercise, and do you think

our answers are reasonable? Sometimes the answers to questions like these are very relative ones, depending on the circumstances. And this suggests that good judgment is critical to the development of useful performance indicators, be they scores on a little training quiz or measures of children's health status. Let's think about these questions as we proceed through Part II of this module.

## **Part II Five steps to developing performance indicators**



The remainder of this module will take you through five steps for developing performance indicators. In each step, we will present a description of the step and some examples of its application, and then ask you (and your team) to work on developing performance indicators for a result that is of interest to you.

### **Step one: Clarify your result statements**

Before selecting or developing any performance indicators, it's important to clarify, as best you can, the nature of the results you expect your program or intervention to achieve. If you are working with a program results framework, for example, this is a good time to review each of the statements for the strategic objective and intermediate results to make sure that they are stated as results and that they are as precise as possible. (See Developing Results Frameworks to review this process) This is good advice, of course, for any result statement, whether it is part of a development results framework or the expected result of an effort to improve administrative operations, team performance, etc.



Ask the following three questions when clarifying your result statements:

**Is the result statement framed in results-oriented terms?**

Is your result stated as something being achieved, completed, improved, increased, etc., or does it contain process words like “promote(d),” “coordinate(d),” etc.? This may seem a minor point at first glance, but defining results as results is the first step toward sound performance measurement and managing for results.

**What type of result is expected?**

Is the expected result the creation of something new, such as the establishment of a new institution or law or information system? Or is it to be a relative change in an existing condition, such as an improvement, an increase, a decrease, or the strengthening of a particular practice, level of knowledge or skill, institutional capacity, health outcome, level of productivity, sales, etc.? Or is the result to be the maintenance of an existing condition, such as holding an inflation rate constant over time or keeping the rate of deforestation below a certain level?

**What or who is the focus of the result, and how broad or narrow is that focus?**

Is the result expected among certain individuals, families, groups, communities, institutions, laws, products, etc.? And is the result expected among some or all, at a local level or at a regional or national level?

How you define your result, and how precisely you do it, has implications not only for how you design your strategy but also for how you go about measuring the result with performance indicators. Let’s look at a few of the result statements that were included in the matching exercise, which you completed earlier. Let’s view them as draft result statements and see if we could add more precision and clarity to them before moving to on to the next step—indicator identification.

**Answering clarifying questions to improve a draft result statement**

<b>Draft Result Statement</b>	<b>Is the result statement framed in results-oriented terms?</b>	<b>What type of result is expected?</b>	<b>What or who is the focus of the result, and how broad is that focus?</b>	<b>What might a clarified result statement look like?</b>
Example 1: "Democratic reforms implemented"	What do we mean by "implemented?" For example, do we mean reform laws passed, or putting into practice reforms that have already been adopted by the legislature?	Do we really mean reforms in all areas of democracy, or can we be more specific? For example, do we expect electoral reforms, judicial reforms, legislative, human rights, etc.?	Do we mean reforms at the national level, at the local level, or at both levels?	Perhaps "1999 local elections conducted on the basis of reforms passed into law in 1997."
Example 2: "Improved delivery of operating unit administrative services"	The word "improved" suggests that a result is expected.	"Improved delivery" from whose perspective? If from the perspective of the service providers, "improved delivery" could mean more efficient delivery. If from the perspective of the customers, it could mean more courteous or more helpful services.	Can we specify the services, or is the result to occur among all services? Can we specify the set of customers for whom service delivery is to improve?	Perhaps "Increased usefulness of financial services received by the EXO's operating unit customers."
Example 3: "More effective team processes"	"More effective processes" implies a result, but it is ambiguous. See the next box.	"More effective" is a tricky concept. Is the result focused on the quality of the processes themselves or on the effects of the team's using improved processes?	Can we specify the processes, or is it all team processes?	Perhaps "Increased efficiency of the SO 2 team's decision-making process" or "Increased utility of team communications to non-team members."



Now it's your turn to draft and clarify a result statement, which we will use later for identifying and assessing indicators. If you serve on a strategic objective team, take, and clarify, one of the key results from your results framework. If that is not possible, develop a result statement for some other program or effort you are working on. Try to write the result statement in as clear and precise terms as you can. Write your clarified result statement in the space provided in the Performance Indicator Worksheet on the next page.

### **Step two: Develop a list of possible performance indicators**

# 2

Once you have made your result statement as clear and precise as possible, it is time to think about possible performance indicators. We say "possible" here, because we think it's easier to start with a number of different ideas for indicators and assessing them later instead of trying to get your indicators perfect on the first try.

*Recall our definition of a performance indicator: A phenomenon that we can observe or measure which tells us whether our efforts are having their intended effect.*

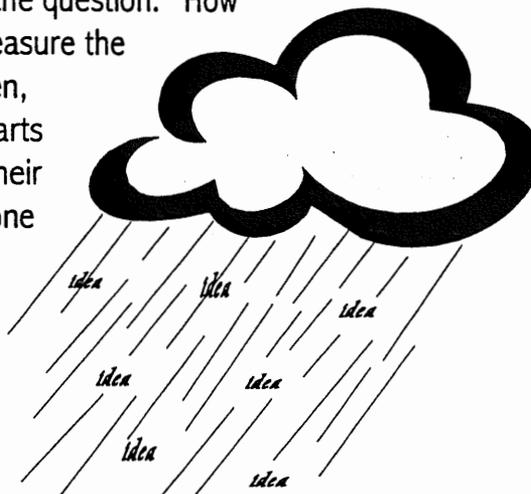
Your task in this step is to identify possible characteristics of the result that could be observed or measured. You could do this by "brainstorming" ideas with the members of your team or by consulting experts and reference materials in the area of interest. Look at the description of brainstorming in the box and see if that would work for you. If you are working with result statements for a development program, you should consider consulting people in other operating units, who have experience in similar programs, or performance measurement experts in USAID's Global, PPC and B geographical bureaus. If your team is developing indicators for a strategic objective program, you should take a closer look at "USAID Common Indicators for Mission and Operating Unit Strategic Objectives," USAID/General Notice, A-AA/PPC, February 7, 1997. This action message lists indicators that the Agency is suggesting operating units consider using, so that the Agency can obtain comparable data from one operating unit to another. It is likely that this action message will be revised from time to time, so consult with the Program Policy and Coordination Bureau for updates.

**Performance Indicator Worksheet**

<b>Step 1. Result statement:</b>						
<b>Step 2. Possible performance indicators</b>	<b>Step 3. Performance indicator criteria</b>					
	<b>Direct*</b>	<b>Precise**</b>	<b>Adequate</b>	<b>Quantitative</b>	<b>Disaggregated</b>	<b>Practical</b>
<b>(1)</b>						
<b>(2)</b>						
<b>(3)</b>						
<p><b>*Or, if not direct, a proxy based on reasonable assumptions.</b></p> <p><b>**Unidimensional and objective.</b></p>						

### **Brainstorming**

In brainstorming, everyone is given a few minutes to think of their answers to the question: "How could we measure the result?" Then, everyone starts calling out their ideas, and one person records them on a flip chart. During this free flow of ideas, there is



no discussion or evaluation of the suggestions. The objective is to get as many ideas out in the open as possible, even those that sound odd or unconventional. The recorder can ask for help in making sure that he or she has recorded accurately, but that's all. Once all the ideas are on the flipchart, the group can then refine, discuss and assess them in terms of their being good candidates for performance indicators.

Whatever your approach to identifying potential performance indicators, be inclusive at this point. View your results statement from a variety of perspectives.

Look at the following result statement, which is an intermediate result taken from a USAID mission's strategic objective results framework. Although it is difficult to consider a single intermediate result apart from the broader context of the entire results framework, try your best to think of as many ways as you can to measure or observe progress in achieving this intermediate result. Jot down your ideas in the space below the result statement.

**Result Statement:**

Increased public confidence in the commercial banking system.

**Possible Performance Indicators:**

- (1) \_\_\_\_\_
- (2) \_\_\_\_\_
- (3) \_\_\_\_\_
- (4) \_\_\_\_\_

Here are some of the performance indicators that the mission actually used for this intermediate result:

- Monetary amount of interest paid out by commercial banks
- Number of commercial bank accounts (business and personal)
- Monetary amount of deposits in commercial bank accounts (business and personal)
- Monetary amount of commercial lending
- Number of short, medium, and long-term loans given to qualified entrepreneurs and firms

It's extremely unlikely that you came up with exactly the same performance indicators as our mission did. In fact, you may very well have identified some others, which might be good candidates for measuring "increased public confidence in the commercial banking system." For example, you might have identified an indicator involving people's reported attitudes toward the banking system, in response to a survey or an interview.

Given that this step is aimed at generating possible indicators—either through brainstorming or through consulting experts and others' experience—there is no one correct list of possible indicators for the result statement.

*The main point in this step is to identify the possibilities without worrying too much about their quality or their practicality.*

Assessing the quality and practicality of potential performance indicators is our job in the next step. But before we move on to Step 3, please complete the following exercise.



Go back to the Performance Indicator Worksheet on page 8. For your own result, which you clarified in Step 1, brainstorm (by yourself or with your team), at least three possible performance indicators for that result. Write them in the left-hand column of the worksheet.

# 3

## **Step three: Assess each potential indicator**

Once we have a list of possible performance indicators, our job is to assess each of them in terms of their usefulness in actually measuring performance. To do that, we need some criteria. Although performance measurement experts might differ somewhat in their lists of criteria for sound performance indicators, we think that most would agree with the six listed here on the flipchart. We think that every one of the six is important and should be considered when selecting from a list of possible indicators.

As we briefly review our criteria, let's apply each of them to two of the possible performance indicators for our tomato improvement program: number of tomatoes harvested per plant and degree of tastiness of the tomatoes produced.

### **Useful Indicators are . . .**

- Direct
- Precise
  - unidimensional
  - objective
- Adequate
- Quantitative (when possible)
- Disaggregated (when useful)
- Practical
  - reliable and timely data are available
  - data collection is cost-effective

### **Attributes of a useful indicator**

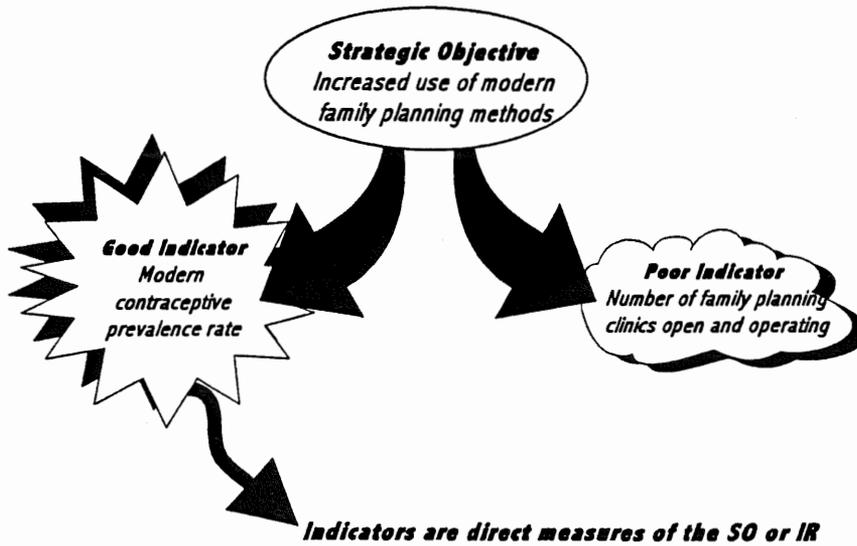
***DIRECT** Simply put, a useful performance indicator measures the result in a clear, straightforward way. In technical terms, it has "validity"—that is, it is a theoretically or experientially sound measure of the result that we want to measure. Also, if we are measuring a result in a strategic objective results framework, the indicator measures that result, not one above it or below it in the hierarchy of results.*

If we want to measure the result, “improved tomato crop,” a direct indicator is one that defines, in observable or measurable terms, what we consider the most important characteristics of an improved crop, from our point of view as managers of the tomato improvement program. If improvement means a bigger crop, then “number of tomatoes harvested per plant” may be on the right track as a direct performance indicator. But what if we harvested a greater number of tomatoes per plant and the tomatoes are smaller than they were before? That is, what if the total volume of tomatoes (in weight, perhaps) did not increase or even went down after our improvement program? So, is it merely the number of tomatoes we want to increase, or would a more direct and valid measure of the result we are trying to achieve be something like “total weight of the tomato crop” or “total weight of tomatoes harvested per tomato plant?”

*A direct performance measure answers the question, “What, as precisely as we can define it, is the most important aspect of the result we are trying to achieve?”*

Suppose our tomato improvement program consisted of using a new fertilizer on our tomato plants. Would we be comfortable with using “amount of fertilizer applied” or “extent to which the new fertilizer is applied correctly” as an indicator of our result, “improved tomato crop?” No! Those may very well be valid measures of a lower-level result, such as “effective implementation of the tomato improvement activity” or “effective delivery of tomato improvement services,” but they would tell us nothing about whether the tomatoes have improved.

This may seem to be an obvious point when it comes to our tomato improvement program, but it is one that often gets lost in the development of performance indicators for results in development results frameworks.



Take a look at the example on the left. Modern contraceptive prevalence rate is a fairly standard and well accepted measure of the extent to which people are using modern family planning methods, which is the result being sought at the strategic objective level. Number of family planning clinics open and operating is *not* a measure of the increased use of

family planning methods. It measures a lower-level result that may be seen as contributing to increased use, but it is not a direct measure of use. It would be very dangerous to assume that, just because the clinics are operating, or even that people are going to the clinics, they are using family planning methods.

Sometimes we have result statements for which we cannot identify a direct indicator that meets all our other criteria for sound performance indicators. For example, it is very difficult to measure increases in farmers' incomes in a direct way. In most developing countries, income records (such as income tax forms and data) are nonexistent, and farmers do not often count their own income in any systematic way (especially when some of their produce is bartered for other goods instead of sold for cash). Even if farmers were able to provide an accurate report of their income, many people would be reluctant to do so. So what do we do if we have a result statement such as "increased income of small-scale farmers in the highland region?"

*If we cannot find a direct measure, we try to find a "proxy," or indirect, measure that comes reasonably close.* In the case of the farmers and their income, there is the classic story of the performance measurement and evaluation team that decided to count tin roofs on representative hillsides in an African highland region as a measure of increases in income among the farmers in the area. They had observed that one of the first things farmers did after acquiring

additional cash income was to replace their grass roofs with tin roofs. Although we could argue some of the fine points of using the acquisition of tin roofs as a reliable measure of increased income (for example, how would we deal with non-cash income? or how would we account for the increased income of farmers who already had tin roofs?), the point here is that sometimes a creative proxy, an indirect measure, is the only approach available; and a reasonable proxy is better than no measure at all.

When using proxy indicators, the performance measurement team must carefully assess, document, and, if possible, validate the assumptions they are making about the connection between the proxy and the result they are trying to measure. In the case of the farmers, the performance measurement team made some assumptions with respect to the important questions posed in the preceding paragraph, and they made at least two more: (1) that purchasing a tin roof was a typical response for farmers who acquired additional income; and (2) that the additional income expected as a result of the program or intervention would be high enough for most farmers to purchase a tin roof. Remember: indirect, or proxy, indicators should be used with caution, and only when reliable data for direct indicators are not available or practical to collect on a timely basis.

**Proxy performance indicators—a few examples**

*Amount of wear-and-tear on the carpets as a proxy for the level of popularity of a museum exhibit*

*Level of public confidence in the courts (as measured through a survey) as a proxy for the level of the courts' effectiveness in serving the public*

Note: Sometimes it is necessary to look to the measure of a higher-level result (as in this example) or a lower-level result than the result in question for an acceptable proxy measure, because it would be too difficult to measure the result directly. The assumptions governing that decision should be very carefully considered, however.

*Average number of complaints received per month as a proxy for overall client satisfaction with services delivered*

Note: It may be risky to assume here that people who do not register a formal complaint are satisfied with the service they receive.

*Amount of sales of equipment and materials required for the use of environmentally sustainable farming practices as a proxy for increased adoption of those practices*

Note: It may be a safe assumption that farmers would not buy equipment and materials unless they were committed to trying the new practices; but this proxy may be risky because it does not address how accurately farmers implement the new practices.

*PRECISE* A performance indicator should be unidimensional and as objective as possible, so that the performance data collected on the basis of that indicator will be clearly understood and acceptable to everyone who will use the data to make decisions about performance. By

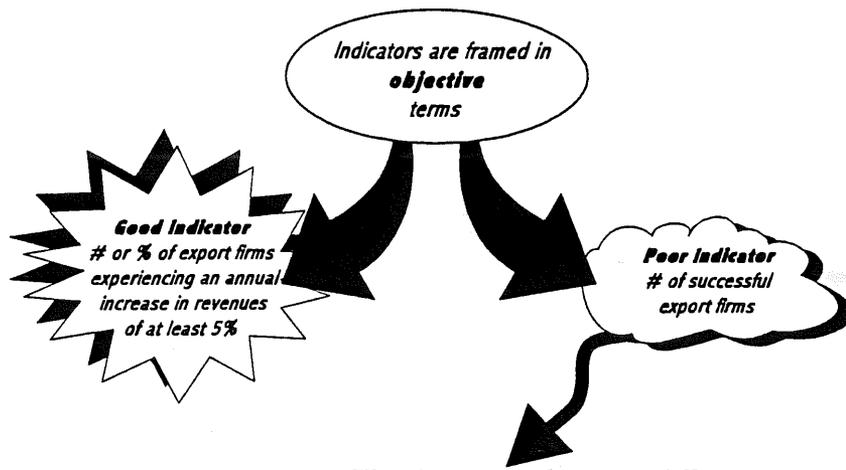
“unidimensional,” we mean that it should measure only one aspect of the result. If there are several aspects of the result that are to be measured there should be several unidimensional performance indicators. For example, “monetary value of investment and revenues of export firms” includes two different measures, “monetary value of investment of export firms” and “monetary value of revenues of export firms.” Each should be treated as a separate indicator.

Sometimes it makes sense to combine two or more measures into a single “index” type of measure, which is understood by those who use it. For example, some people who report and forecast weather conditions are starting to use an indicator called “humiture,” which combines temperature and amount of humidity in the air into one measure. In the democracy and governance area, some USAID operating units are measuring country-level performance with the Freedom House Index, which is a group of measures rolled into one measure of how well governments are doing with respect to guaranteeing political and civil rights for their citizens.

Going back to the example above, it is conceivable that monetary value of investment and monetary value of revenues could be combined into an index of export firms’ financial strength. Index measures are rather tricky, however, because decisions have to be made about how much weight to give each separate measure as it is combined with other measures.

By “objective,” we mean that the performance indicator should be unambiguous enough so that everyone—even those who are skeptical about the likely success of the program—can visualize and agree upon exactly what is being measured. With a truly objective measure, people are not left to their own subjective notions of what is being measured.

Look at the example on the right. An ambiguous word like “successful” in the indicator suggests that more work still needs to be done before the indicator is precise enough to be useful in measuring the result in question. If the people that matter—for example, the strategic objective team members, and



**What do we mean by successful?  
It's a subjective, not objective, adjective too open to interpretation!**

important partners, stakeholders and customers—still don't agree that the improved indicator (“number/percentage of firms experiencing an annual increase in revenues of at least 5 percent”) is an acceptable measure of the result, then more work needs to be done to develop a measure that meets their needs.

Let's get back to developing indicators for our improved tomato crop. One of the possible indicators we identified was “degree of tastiness of the tomatoes produced.” Addressing solely the question of tastiness, this indicator is unidimensional; but what do we mean, in objectively observable terms, by “tastiness?” If only one of us is interested in knowing whether the tomatoes taste better after the improvement program is implemented than they did before, then perhaps we do not have a problem. That person can set up a personal scale of tastiness (perhaps from 0 to 10) and personally rate the before-improvement crop and the after-improvement crop. If there are several people who care about assessing whether the result is being achieved, however, then we need to specify more precisely what tastiness is and how it will be measured. What one person considers a tasty tomato may be quite different from what another person would.

In that case, a more precise performance indicator might be something like “average rating of tomato tastiness (as determined by a panel of tomato tasters)” or “average percentage of sugar content in a random sample of tomatoes (as measured through

chemical analysis).” We could come up with other possibilities that offer more precision to “degree of tastiness,” *but the indicator that is finally chosen really should be agreed upon by those who have a stake in how the result is measured.*



**Assess sample performance indicators for directness and precision**

Now that we have reviewed two very important criteria for useful performance indicators—direct and precise—let’s see what you think of a few performance indicators that we have borrowed from an operating unit’s recent Results Review and Resource Request (R4). Assess each of the indicators in terms of their directness and their precision. In the table below, read the operating unit’s result statement and the four performance indicators being used to measure progress. Then, use the questions we have provided to assess the directness and precision of those indicators. Discuss your comments with your colleagues and write your assessment in the cells to the right of each indicator. When you are finished, review our comments on the indicators below the table.

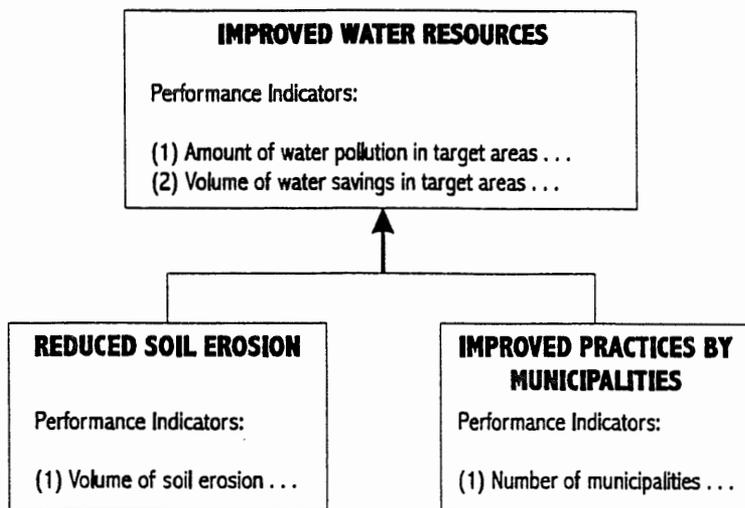
**Exercise: Are the performance indicators direct and precise?**

Result Statement: Improved water resources management in the agricultural, urban and industrial sectors		
Performance Indicators:	Direct: A) Does the indicator appear to measure a managerially and strategically important aspect or dimension of the result ? B) Is the indicator at the same level as the result, or does it measure either a lower-level result that contributes to the result or a higher-level result to which the result contributes? C) If the indicator is not direct, does it serve as a reasonable proxy indicator, or could a better proxy be found?	Precise: A) Is the indicator unidimensional— does it measure only one aspect of the result? If not, is it possible to break it up into two or more separate indicators? B) Is the indicator objective— would people agree that the indicator is measuring the same thing?
(1) Amount of water pollution in target areas (measured in milligrams per liter of chromium [for areas with tanneries], and kilograms/hectare of excess nitrogen [for agricultural areas where fertilizer is used])		

(2) Volume of water savings in target areas (measured in millions of cubic meters/year)		
(3) Volume of soil erosion in target areas (measured in tons of soil loss per square kilometer) Note: The operating unit points out that reducing soil erosion will improve the soil structure's ability to hold water and replenish underground aquifers, and reduce the sedimentation that diminishes dams' capacity to hold water.		
(4) Number of municipalities with improved wastewater treatment, garbage collection, landfill management, green spaces, and recycling services (measured in number of municipalities and total population covered) Note: A municipality will be counted if it has at least one service in place.		

*Our comments:* Are the performance indicators direct? Depending on how the mission is defining "management," two of the performance indicators appear to be direct, and two do not. If management means the *impact* of the program on water resources, then the first two indicators appear to be direct: they measure the condition of water resources. If, however, management means the achievement of lower-level results that contribute to improvement in the condition of water resources, then the last two indicators appear to be direct. Reducing the level of soil erosion and increasing the number of municipalities receiving conservation/ improvement services are both means to achieving improvements in the water resources. As this example shows, the term "management" in a result statement is a very ambiguous term, and it is easy to confuse what is being measured.

A more strategically logical results framework and set of performance indicators might look something like the following:



Now it's time to go back to the Performance Indicator Worksheet on p. 15 and see how your three indicators fare with respect to the two criteria, direct and precise. How well do they meet those criteria? What might you do to improve them?

**ADEQUATE** It is wise not to have too many performance indicators for each result statement, because collecting, analyzing and reporting

data for a large number of indicators can become very burdensome and inefficient with respect to the information needed for decision making. However, if a single indicator does not adequately capture whether progress toward a result is being made, then more than one may be needed. *An "adequate" number of indicators is the number that is needed—no more, no fewer—to provide sufficient information for determining, with a reasonable amount of confidence, whether the result is being achieved and whether management action is needed.*

Of course, you must always balance the need to know what's happening in your program with the ability to pay for the information. This is another example of why good judgment, assisted by a little skill, is so important in developing performance indicators. For results that are very straightforward and have indicators that are tried and true, perhaps only one indicator is needed. For example, "contraceptive prevalence rate" is a very well tested and accepted measure of the use of modern contraceptives. For other results, which are more complex and unique, you may need more than one indicator to capture whether it is being achieved. For example, "increased sustainability of NGO capacity" may need several indicators, such as "number of person-years of trained permanent staff per NGO per year," "average percentage of annual operating costs that are obtained

by the NGO from members and contributors," and "percentage of NGOs that survive five years or more after establishment."

Be careful here: Even though everyone would like just a little more information to meet their curiosity or personal interests, the number of indicators should be dictated by the need to make reasonably sound judgments from a managerial or strategic point of view.

Back to our example: Would one indicator be sufficient for measuring the result we are seeking in our tomato crop improvement program? It might, if we can get agreement on one specific characteristic that would represent "improvement." If improvement is seen as having several dimensions, however—e.g., taste, quantity, and juiciness—then we may need more than one indicator.

**QUANTITATIVE (when possible)** First ask yourself if your list of possible indicators includes one or more managerially useful quantitative indicators. *Quantitative indicators are not necessarily more objective than qualitative indicators, but their numerical precision (when precise numbers are available!) lends them to more agreement on interpretation of results data, and are easier to report.*

Just about any qualitative indicator can be refined into a quantitative one with some effort and testing to make sure that it works. For example, descriptive observations or judgments of institutional capacity can be converted into numerical ratings by developing a numerical scale (that is, 1, 2, 3...) with points along the scale representing various typical levels of capacity as described in the raters' written statements. Admittedly, some of the richness of detail would be lost by using numbers instead of words, but the ratings may be sufficient for managing for and reporting results.

#### Quantitative and Qualitative Performance Indicators

Quantitative indicators are numerical in nature, for example, total dollar value, tonnage, number of municipalities, percentage of farmers adopting a new practice, or infant mortality rate.

Qualitative indicators are descriptive observations or judgments, for example, an expert's written opinion of an institution's strength, or a description of behavior.

### The Case of the Unknown Denominator

Suppose for a moment that you read in a USAID results report that the number of companies in a particular sector using a new, environmentally safe production process had increased by 50 percent from 1997 to 1998. Impressive, right?

At first glance, the data on that performance indicator would indeed seem quite impressive. But what if the actual number of companies using the process had increased from 2 to 3, out of a total of 20 companies being targeted by the USAID program? That's a 50 percent increase, but, is one more company using the new process a significant result?

**This case shows that it can really matter whether we use a number, a percentage, or a percentage increase when measuring a particular result.** Using just a number (from 2 to 3) or just a percentage increase (50 percent) can be quite misleading, unless the reader knows what the "denominator" is. From 2 to 3 out of how many? A 50 percent increase among how many potential users of the new practice? The denominator tells us a lot about the significance of the result.

A similar problem could arise if only the absolute number for a result were reported. For example, a change from 1997 to 1998 in the number of couples reporting the regular use of family planning methods from 2,000 to 3,000 might seem impressive. But it all depends on the denominator. An increase of 1,000 in a target population of 5,000 couples could be quite significant, but what if the target population were 100,000 couples?

**In general, however large or small the total target population may be, the safest route is to measure and report quantitative indicators as both simple numbers AND percentages of the total targeted population.** In our case, then, it would be much more meaningful—albeit not as impressive, perhaps—to say that the number and percentage of companies using the new practice increased from 2, or 10 percent (of a total of 20), in 1997 to 3, or 15 percent, in 1998 (that is, from 2 out of 20 to 3 out of 20).

**A general rule: Make sure that the denominator—that is, the total number of targeted people, companies, laws, etc.—will be clearly stated or implied when results are being reported against your quantitative performance indicator.**

Should we use qualitative or quantitative indicators to measure our improved tomato crop? Of course, it depends on how we will define "improved," but suppose for a moment that our notion of improvement includes their appearance. We could use a qualitative indicator involving a narrative description of the shape, color, presence of blemishes, etc. of a representative sample of our tomatoes and compare the descriptions from one measurement point to the next. And that may be all we'd need for our purposes. If we wanted to get more quantitative, however, we could develop some visual scales, with different pictures of tomatoes ranging from less attractive (starting with a rating of 1) to more attractive (with a rating of 5), and use those scales to measure the average level of attractiveness of our tomatoes.

**Developing quantitative indicators**

Suppose you are managing a USAID democracy and governance program, and one of the results is “increased institutional capacity of non-governmental organizations.” Suppose also that the twenty or so targeted organizations are all at different stages of development and capacity. Some are just getting established, others have dues-contributing members, others are performing advocacy and service functions, and so on. How would you measure progress among these organizations from one year to the next? You could have a performance measurement team prepare an annual qualitative description of each organization, and rely on those descriptions to identify and report progress (or lack of it).



But suppose you want a quantitative indicator, which would provide results data that can be compared from one year to the next. How might you do this? Write down your ideas here:

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Here are some ideas that USAID missions have tried over the years:

You could develop some specific criteria for institutional capacity—for example, a minimally acceptable number of paid staff, a minimally acceptable level of revenues that come from membership dues and fees for service, evidence of the organization’s involvement in governmental policy making activities, evidence of the organization’s production and distribution of publications, and so on. You could then assign a certain number of points for each criterion met (with some, more important, criteria worth more points than others, perhaps) and then assign points to each organization that meets each criterion. When all this is done, you could develop an “institutional capacity” score for each

Institutional Capacity Matrix						
Organization	Criteria					Total
	A	B	C	D	E	
Org. #1						
Org. #2						
Org. #3						
Org. #4						
Org. #5						
TOTAL						
AVERAGE						

organization and calculate a single average institutional capacity score across all the institutions. (An average score would be useful especially when the number of organizations may change from year to year.)

In effect, you could create an annual "institutional capacity matrix," similar to the illustration provided here. The criteria would be listed across the top and the names of the organizations down the side. In each of the cells of the matrix would

be the point numbers for each criterion for each organization. The totals in the rows would be the scores for the various organizations, and the average score (shown in the bold outline) would be the sum of all the organizations' total scores divided by the number of organizations. The average score would be expected to increase from year to year if progress on the result is occurring.

We have oversimplified this example for the sake of brevity, but we think the point is clear: *just about any indicator or set of indicators is amenable to quantification, providing you are able and willing to give up some of the complexity and richness of information for the sake of the expediency and simplicity that quantification can provide.*

Another area in which a quantitative matrix approach has been used is that of measuring progress in moving a variety of legislative initiatives from initial research to eventual enforcement of laws and regulations. All the steps in the process (e.g., legislative research completed, law drafted, law introduced in the legislature...regulations being enforced) are placed along the top of the matrix and the list of various laws being developed are listed down the side, with points being assigned for each step completed from year to year.

**DISAGGREGATED** (*when useful*) It may be managerially useful to separate, or “disaggregate,” a performance indicator by categories of the target population. For example, in a program aimed at increasing the number of sustainable microenterprises, we might want to measure the number of male and female-owned microenterprises, not just the total of all microenterprises, that have reached a certain level of success. We would do this if our program is aimed specifically at achieving results among both males and females. In other words, we would not count males and females simply for the sake of doing so.

Disaggregation of a performance indicator can take many forms: with people as the targeted population, it might be on the basis of sex, age, ethnicity, geographical location, or economic status; with non-governmental organizations, it might be on the basis of type of organization, such as advocacy, information, and services; and so on. The possibilities are many, but remember, we disaggregate an indicator when the disaggregation will provide strategically or managerially useful information.

Let’s return once again to our tomato improvement program. If we are growing several different types of tomatoes, we might want to disaggregate our performance data by type of tomato, so that we can learn which strategies work best and least with those different types. Or we may want to disaggregate according to those tomatoes we will use for raw consumption at our dinner table and those we will use for processing into tomato sauce or tomato paste. How we disaggregate our performance indicators should depend on our need for results data, which should depend, in turn, on our intention to manage for different types of results.

Recently, there was a USAID mission that was working with its host country partners to increase tourism. Using the performance indicator, “number of tourists who enter the country per year,” the mission decided to disaggregate the indicator by numbers of male tourists and female tourists. Do you think that this disaggregation was appropriate?

Our answer, of course, is that it all depends. If it really did not matter whether the tourists were male or female, so long as they were tourists, then the disaggregation would be relatively

meaningless and unnecessary. If, however, the strategy aimed at increasing tourism was designed in such a way as to develop some of the attractions and advertising that appealed more to men and some that appealed more to women, then it would be important for the mission and its partners to disaggregate the number of tourists by sex. With more and more USAID operating units paying close attention to gender and other variables in the *design* of their program strategies, disaggregation is becoming more and more appropriate as a performance measurement strategy.

**PRACTICAL** Once you are satisfied that your indicators make good technical sense—that is, they are as direct as can be, precise, adequate, quantitative if possible, and disaggregated if appropriate—your final consideration should center on whether they are practical. *By practical, we mean that the indicators will be amenable to the collection of reliable data, in a timely way, and at a reasonable cost.*

*Amenable to the collection of data* means that there are data out there to be collected. However direct and precise an indicator may be, it is useless if the data needed to use it simply cannot be obtained. Therefore, before settling on a specific performance indicator, the performance measurement team needs to check out whether data can be obtained from existing sources or from a new data collection effort. If not, your task is to identify a different indicator.

*Reliable data collection* means that the data can be collected in a consistent way and from consistent sources, such that from year to year or from month to month, and from one data collector to another, those data will be comparable. For example, if your performance indicator will require the collection of data from an annual interview of random samples of villagers, then can you be reasonably sure that the interviews will be conducted in a consistent way by all your interviewers? And can you be confident that the interviews will be conducted in a similar way from year to year? If not, you will not be able to measure and judge progress against the result in question with any reasonable degree of confidence. If your performance indicator will require annual statistical data from a government ministry, but you know that the ministry changes its way of counting things from one year to another, your performance indicator is simply not going to yield useful data for those who are managing for and assessing program results.

This discussion just touches the surface of all sorts of questions that a trained social scientist would want to ask about the quality of the data that would be collected against a particular program performance indicator. *There is no perfect performance indicator, and the challenge for the strategic objective team or any team that uses performance indicators is to do its best to ensure that the data to be collected will be of sufficient quality to make them useful for decision making.* How good the data need to be is a different question from how good the data could be. The program performance measurement team needs to strike a balance between spending a fortune on collecting extremely high quality, extremely reliable data, which meet the standards of the social scientist, and collecting data that are good enough to use as a basis for strategic decision-making.

And this leads us into the question of whether the data can be collected “in a timely way” and “at a reasonable cost.” Will the whole program be completed before reliable data on critical performance indicators can be collected, and the opportunity to make mid-course corrections and strategic changes has been missed? Will the data cost so much to obtain that the cost of measuring performance is far out of proportion with the costs of achieving performance? *USAID’s program directives suggest that from 3 to 10 percent of a program’s budget is a reasonable amount of resources to devote to the collection, analysis and use of performance data.* Will the costs of our data collection efforts fall in that range?

### **Words for the Wise**

Although you may not need the precision of a rigorous social scientist, you do need to have a reasonable degree of confidence in the skills and experience of the people who will be collecting the data upon which your performance indicators rely. Whether you need nationwide energy consumption statistics or village-level attitude measurements, you want data that will answer your performance measurement questions.

We have seen too many strategic objective teams and operating units identify performance indicators that meet all the criteria except practicality. Their quick assumptions that the data will be available from a government ministry or can be easily collected through a nationwide survey often prove invalid and they are stuck scrambling for data later on. Our word to the wise: be practical!

Suppose that in our tomato improvement program, which, remember, is being conducted in our home garden, we want to use “level of sweetness” as a performance indicator. Would it be reasonable to go to the cost of sending a sample of our tomato crop to a laboratory for a sophisticated analysis of sugar content? Probably not. Perhaps using a panel of taste-testers, such as our family and friends, would yield less scientific data, but it may be

good enough for our purposes. So, “level of sweetness, as determined by a panel of taste-testers” may be a far more practical performance indicator than “level of sweetness, as determined by a laboratory test of sugar content.”

**A Handy Tip**

To help you assess your candidate performance indicators, you might want to develop and use a simple rating technique. You could assign a maximum of 5 points for each of the 6 criteria in the Performance Indicator Worksheet and then rate each of the indicators on each of the criteria. The indicators receiving the best total scores on the 6 criteria are the ones you would choose to use.

Perhaps, however, you consider one or more of the criteria to be more important than the others. If so, assign more maximum points to those criteria than to the others. Adapt this technique to reflect what is most important to you and your team.

Now that we have reviewed the remainder of the criteria for useful performance indicators, go back to the Performance Indicator Worksheet on page 15, and complete the worksheet for the indicators you are assessing. How do the indicators measure up against all the criteria?

If there are problems, fix them now, before you get too far into the performance management and measurement process. Then move on to Step 4.

# 4

**Step four: Select the best possible indicators**

If you have done a good job in Steps 1, 2, and 3, this step should be a very straightforward one. The trick in this step is to be selective—to choose for each result you want to measure the performance indicators that best satisfy the criteria you used to assess your candidate indicators in Step 3.

After you and your team have made your selection of the best indicators for each result, you need to look one more time at the criterion of adequacy. Will the one or two (or more) indicators that you have chosen for each result be sufficient to measure that result? It is possible that you have eliminated some indicators on the basis of other criteria and now need to fill the adequacy gap that remains?

When you are sure that you have the set of performance indicators that you and your team consider the best set for your purposes, it is time to move to the final step, namely, obtain wide agreement on those indicators.

### **Step five: Obtain agreement on your indicators**

It is important not only that you and your performance measurement team agree on the indicators you want to use, but also that other key parties involved in the program agree. These parties include:

- ➔ senior management, who will have to report and defend the data to those outside the unit;
- ➔ members of the extended and expanded team (including virtual team members back in the regional or AID/W office), who have been unable to become as intimately involved in performance measurement as you and the core team;
- ➔ other program stakeholders, who have an interest in whether the program succeeds and how success will be measured;
- ➔ the program's implementers, who will be needed to help collect the data; and,
- ➔ the program's customers, who have an important say in whether the program is or is not meeting their needs with respect to implementation and results.

Ideally, these parties, or their representatives, have been involved at the start with identifying useful performance indicators. Often, however, that simply is not done for a variety of reasons, and your team finds itself needing to share and obtain reactions to your draft indicators. The sooner this can be done the better, so as to avoid bigger problems down the line. There is nothing worse than collecting performance data on hitherto unagreed-upon indicators and having those data rejected by key parties on the grounds that the indicators you used are not the ones they think really capture program success or failure.

# 5

Many teams find it useful to convene an all-parties conference—or separate conferences for separate types of groups—to share and obtain reactions to their proposed performance indicators. These meetings usually yield very useful information that the teams, hard as they may have tried by themselves, did not consider in developing their indicators. This is the time for the team to become fully aware of how well the data on the indicators are likely to be received in Washington, on how feasible it will really be to collect the data, and on how well the indicators really measure the essence of the results to be achieved.

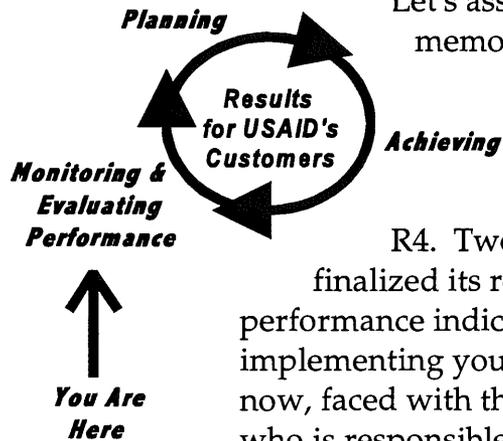
To complete this step, decide now how you will make sure that your performance indicators are not just your indicators, but ones that make sense to all the parties you need to truly manage for results.

### **Conclusion**

As you can see, developing useful performance indicators is not necessarily easy. To the extent that you can follow the five steps presented in this module, however, you will have a much better chance of making real progress in managing for results. Even if you hire consultants to help you design your performance indicators and the means of collecting and analyzing performance data, understanding these steps will allow you to ask for and get more out of the services they perform for you. There's a discount clothing store in the Washington area, whose motto is something like, "Our best customer is an informed customer." Being an informed customer when seeking performance measurement services should enable you and your team to get what you, as program managers, need in order to make good results-oriented decisions later on.



## Preparing a Performance Monitoring Plan



Let's assume that you and your team have just received a memorandum asking you for a list of the performance indicators for which you expect to have new data within the next year. The data are needed in time to incorporate them into the Operating Unit's next performance report, the

R4. Two months have passed since your SO team finalized its results framework and selected the related performance indicators. You and your partners have begun implementing your strategy. You have made good progress, but now, faced with this memorandum, you realize that it's not clear who is responsible for which aspects of your performance monitoring effort.

If your team is in this position, or you can imagine finding yourself in this position sometime in the future, this module will help you organize the ideas and decisions you have probably already made, but may not have documented in an orderly way. It will provide you with a tool for documenting all of the important decisions you

and your team need to make in order to adequately monitor performance. Furthermore, you don't have to wait until you are in trouble to use the tool. You can develop a performance monitoring plan, or PMP, as early as you wish.

### **A multi-purpose management tool**

The PMP was designed specifically for developing and recording plans for monitoring the results in a strategic objective team's results framework. The questions it answers, however, are questions that any team—be it a strategic objective team or an administrative support team or an ad hoc team—needs to consider if it intends to monitor the results it is trying to achieve. Therefore, we encourage wide use and adaptation of the PMP as a management tool.



### **Remember**

If you have questions or need help with this module, you can e-mail the Hotline. See last page for details.

**By the end of this module you and your team will be able to:**

- ➔ determine all of the decisions that need to be made about performance monitoring
- ➔ understand the logical order or sequence of those decisions
- ➔ use the PMP form for recording decisions about performance monitoring
- ➔ produce a draft PMP for the performance indicators for which you and your team are responsible

The PMP is an effective recording device. By asking you to write down a number of important decisions you and your team have made about monitoring each indicator you must track, the PMP allows you to recognize any gaps that may exist in your team's decision making process.

*Performance monitoring plans shall be prepared for the Agency strategic framework and for each operating unit's strategic plan. Information included in the performance monitoring plan shall enable comparable performance data to be collected over time, even in the event of staff turnover, and clearly articulate expectations in terms of schedule and responsibility.*

From the Agency Directives

**The elements of a PMP**

A PMP is a format for recording information about a number of aspects of your team's plan for monitoring performance. The six key elements covered by a PMP are as follows:

**(1) The set of performance indicators for which you are responsible**

These indicators may be intended to measure performance at the Strategic Objective (SO) level or the Intermediate Result (IR) level. Regardless of the level, your indicators are important because they are the ones that will measure results for which your team has

accepted responsibility. Other strategic objective teams will focus on their indicators and, ultimately, the PMPs developed by all teams within the operating unit can be aggregated to form an overall unit-level PMP.

## **(2) Indicator definitions and units of measurement**

Some performance indicators are so clear in their basic form that there is no need to explain them. For example, "infant mortality rate" is an indicator that does not need to be explained because it is a standard, commonly-used health indicator. On the other hand, "incidence of polluted water sources" is an indicator that includes three terms which need to be defined if we want to be certain that everyone understands this indicator in the same way. We need to define what we mean by "water sources." We need a technical answer to what constitutes "pollution," and we need to clarify what we mean by the term "incidence" in this context. This type of clarification is the focus of the second element of a PMP.

## **(3) Data sources**

This element of a PMP focuses on decisions that have been made about whether existing data will be used, such as data collected by government ministries, or whether data on a performance indicator will be collected specifically for the purpose of performance monitoring. In some cases both of these options exist, and you and your team will choose between them based on cost, data quality and other factors. In other situations, you will find that there are no existing sources of the data that are needed to monitor a performance indicator, and you will have to develop new data sources or choose a different indicator.

## **(4) Methods of data collection**

Whether you use existing or new data sources, it is important to understand and document the methods that will be used to collect data on each performance indicator for which you and your team are responsible. The methods by which data are collected tell us a great deal about the quality, or trustworthiness, of the data. This is particularly important for data we expect to collect annually. The procedures that are used must be clear enough and practical

enough to be used repeatedly. The range of data collection methods is quite broad, and choices within this range are an important responsibility of your team and those with whom you consult on such matters.

### **(5) Data collection frequency and schedule**

With performance reporting as an annual requirement, one might think that data would be collected on each performance indicator every year. However, this is not always the case. Sometimes it is just too expensive to collect data every year. In other situations, technical experts may tell us that the changes in which we are interested simply cannot be detected on an annual basis. This element of a PMP is used to record information about how often and under what conditions data are to be collected and to describe any aspects of a data collection schedule which may be important—for example, it may be impossible to collect data from certain sites during the rainy season.

### **(6) Responsibility for acquiring data**

This element of a PMP is designed to help you and your team focus on the practical aspects of obtaining the data you need to monitor performance. The responsibility for collecting and analyzing data on your performance indicators is one you are likely to delegate. Given all the responsibilities that you and your team have for planning and managing the implementation of a program, it is unlikely that you will have time to personally gather all of the information that will be needed to monitor performance against your performance indicators.

Depending upon the number of performance indicators for which you are responsible, you may find that you need to delegate data collection and analysis responsibilities to quite a few individuals or groups. Invariably the delegation of responsibility involves some level of management. It may involve contracts in some instances. To acquire other kinds of data, you may need to develop a memorandum of understanding with a ministry.

## **The PMP form**

A PMP form is really a simple table that you and your team can create using the table feature in your WordPerfect software program. On page 6, you will see the PMP form that is being used by most USAID operating units. The form contains columns in which you and your team can record the decisions you have made about each of the PMP elements described above. Note that the form shows how to list indicators for more than one result, for example, an SO and one or more IRs. Normally, the table extends for several pages, depending on how many results and indicators are being included in the performance monitoring plan. We have included one page, but you can adapt the table to fit your specific needs.

The PMP form shown here is not an absolute. Some operating units have developed variations on this basic form. For example, we have seen PMPs that divide the column on "responsibility for data acquisition" into two elements—one of which names the USAID staff member who is responsible and a second which identifies the ministry, university, PVO or firm that will actually collect the data. Variations of this sort are certainly acceptable. *However, it is important to recognize that all teams within a given operating unit need to use the same form.* Otherwise, it will not be possible to aggregate team products into a unit-level PMP.

If your team is ready to begin work on its PMP, take the time to check with your operating unit's program office, or whoever is responsible for producing your unit's R4 each year, and duplicate the exact form your unit intends to use for its aggregate PMP. By doing this before you begin, you can avoid reformatting problems at a later date.

## **A Simple Example**

Before we get into the steps for completing a PMP, let's look at a simple example to get a sense of what we mean by a performance monitoring plan. In another module in this USAIDworks! series, "Developing Performance Indicators," we talked about identifying

### Sample PMP form for recording team decisions about performance monitoring

Performance indicator	Indicator definition and unit of measurement	Data source	Method of data collection	Frequency/ schedule of data collection	Responsibility for data acquisition
<b>Result statement:</b>					
Indicator 1:	Definition:  Unit of measurement:				
Indicator 2:	Definition:  Unit of measurement:				
<b>Result statement:</b>					
Indicator 1:	Definition:  Unit of measurement:				
<i>Add additional rows for more indicators and result statements as necessary.</i>					
Comments/special considerations:					

and refining performance indicators for a simple improvement strategy for a home garden to achieve the result, “improved tomato crop.” It might be helpful for you to review that module, which covers principles and steps for doing what must be done *before* preparing a PMP.)

Suppose you are about to implement a strategy to improve the tomatoes that you grow year-round in your garden. You have designed your improvement program to cover four complete tomato-growing seasons using the same variety of tomato in the same garden plot during the next year. You have an initial strategy for improving your tomatoes, which includes the use of fertilizer, a different watering schedule, and so on. You intend to measure your results periodically during the year in order to make strategic changes in your program so that you can continuously improve the tomato crops you are producing.

Suppose also that you have decided that you will measure the result you are seeking (improved tomato crop) with several performance indicators, including the following one: “amount of tomatoes harvested.”

Finally, suppose that you will have to take several business trips during the course of your tomato improvement program, and you will have to rely on an assistant—say, your teenaged son or daughter—for the collection of some of the data for the indicator.

Here are some questions that you need to consider if you want to have comparable, useful data during the course of the tomato improvement strategy. Think about how you would answer them before looking at our suggestions at the end of the list of questions.

*Is the performance indicator you want to use defined clearly enough so that both you and your assistant (or anyone else, should the need arise) would know exactly how to collect the data needed for an assessment of the progress of your improvement strategy?*

*Will it be clear to your data collection team as to exactly where to get the data (i.e., the specific source) and exactly how to collect the data so that comparable data will be collected each time?*

*How often, and when, do you want performance data to be collected?*

*Will it be you and your assistant alone who will be responsible for collecting the data, or will other people be involved?*

Using the PMP as a tool to help you answer these important performance monitoring questions, you may come up with something like the following table:

Performance Indicator	Indicator definition and unit of measurement	Data source	Method of data collection	Frequency/schedule of data collection	Responsibility for data acquisition
<b>Result statement:</b> Improved tomato crop					
Amount of tomatoes harvested	<p><b>Definition:</b> The average total weight of all acceptable, ripened tomatoes that are harvested from the tomato plants planted at the beginning of a specified growing season (<i>acceptable</i> tomatoes are those that have no visual evidence of worms or rotten portions, using a set of photos that distinguish between acceptable and unacceptable tomatoes; <i>ripened</i> tomatoes are those either on the vine or fallen to the ground that are within a certain range of pink to red (using a standard color chart).</p> <p><b>Unit of measurement:</b> kilograms/ounces per tomato plant</p>	The tomatoes that are harvested from the garden plot on a daily basis	Every day, at approximately the same time, the tomatoes that meet the ripeness and acceptability standards will be harvested from all the plants in the plot. Those tomatoes will be weighed on a standard produce scale and the weights will be entered on a form that shows the tomato weight for each day. At the end of the data collection period, all the daily weights will be totaled and the total will be divided by the number of plants originally planted in the plot.	There will be four data collection periods, each at the end of each of the four growing seasons. Each data collection period will begin at the sight of the first ripened tomato (using the color chart) and end after a full seven days without any additional ripened tomatoes.	The assistant (your teenaged son or daughter) will do all data collection and recording.

Have we left out of this sample PMP any important details? If so, what would you add that would make the data collection plan even more precise and useful than it is? Add this information to the chart.

At any rate, the completed table certainly provides a much more precise and reliable outline of how the tomato improvement data should be collected than if we were to leave the process to memory or word of mouth. Doing even this simple PMP demonstrates the value of the tool: *it makes us think carefully about data collection and it provides a documented set of guidelines for those who are currently responsible for data collection and those new people who may replace them.*

Now let's go through the PMP steps, one at a time, using an example from the work we do, namely, international development.

### **Step by step completion of a PMP**

Although there are no rules that force you and your team to follow a particular procedure or process for completing a PMP, most teams find it easiest to

- 1) Start by listing in the first column all of the performance indicators they are responsible for monitoring. For some teams, all of their indicators will measure a single result—an SO or IR. Other teams may need to focus on indicators that measure several IRs. Either way, teams find that it helps to start with their full list of performance indicators in front of them.
- 2) Work across the rows to complete a PMP. Teams generally take one indicator at a time, in any order they choose, and fill in all of the decisions they have made about monitoring that indicator before moving on to the next one.

In this step by step review, we will follow the process outlined above. At each step you and your team will be encouraged to write down the decisions you have made about monitoring at least one of the performance indicators for which you are responsible.

On the next page is a completed PMP for one indicator in the Civil Society area of Democracy and Governance. Refer to this example for an illustration as you walk through the steps of completing a PMP.

To actively work your way along the following six steps, you will need to create or copy (or turn back to) the sample PMP table shown on page six. You can then follow along with each of these steps and apply them to one of your own performance indicators as you fill in the columns for that indicator.

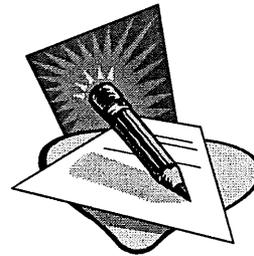
### **Step one: List the performance indicators to be monitored**

To record your performance monitoring decisions, enter all of the indicators for which you are responsible in the first column of the table. If you are responsible for indicators that measure several different results, take the time to copy the results row on the table and repeat it as often as needed, as the sample PMP form illustrates.



#### **Your Indicators**

Now look at your indicators carefully. In selecting these indicators you and your team decided that these were the measures you would need to determine whether a particular result is or is not being achieved. Do you still feel that the measures, or indicators, you have selected are appropriate? Do you have more indicators than you need? Are your indicators clear statements of what you intend to measure, or are they vague notions that require more discussion and refinement? (If you would like more help with assessing the utility and quality of your indicators, see the USAIDworks! module *Developing Performance Indicators*.)



Take the time as you fill in the first column of your PMP to discuss your indicators with your team, or, if you have not already received the technical advice you need to be certain that a particular indicator is appropriate, stop and get that advice now. Indicator statements should be simple and clear, but they may include some terms that need further definition.

### A USAID-specific example of a performance monitoring plan

Performance indicator	Indicator definition and unit of measurement	Data source	Method of data collection	Frequency/ schedule of data collection	Responsibility for data acquisition
<b>Result statement:</b> Increased citizen participation in democratic processes					
<p>Percentage of citizens who are active members of at least one civil society organization</p>	<p>Definition: A <i>civil society organization</i> (CSO) is defined as any non-governmental organization that is organized around a common interest of its members and that may have cause to interact with government institutions. The ABC survey, from which this indicator is derived, defines the following types of organizations as CSOs: sports clubs and associations, women's associations and mothers' clubs, religious groups, professional associations, community associations and development committees, unions and political groups.</p> <p>Persons are considered <i>active</i> members if they determine their own participation in any one organization to be "frequent" (on a subjective four-step scale ranging from "frequent" to "never").</p> <p>This indicator will be disaggregated by gender.</p> <p>Unit of measurement: Person who reports "frequent" participation in a CSO; the overall indicator unit is the percentage of all persons responding to the survey who report frequent participation.</p>	<p>Baseline Study on Citizen's Participation in Democratic Processes, a national-level survey conducted by the XYZ Institute under USAID guidance.</p>	<p>A national survey of 1508 randomly selected persons (respondents must be older than 18 years old). The sample is stratified by city size, and it uses a two-stage cluster sampling method, in which the household is the smallest cluster.</p> <p>This indicator is derived from questions 3.1 through 3.9 of the survey. (Refer to indicator notes for more detail on the derivation of this indicator.)</p>	<p>Annually, in November. Survey should begin at the beginning of the month, and all data should be collected by the end.</p>	<p>The XYZ Institute, under contract to USAID. SO 3 Team member, John Smith, will monitor the Institute's work.</p>

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## Step two: Clarify indicators through definitions and the specification of units of measurement

When you and your team decided upon the indicators you would use to measure performance, you probably talked through your ideas in a way that made the specific meaning of your indicators clear to the whole team. As a second step in the development of your PMP, you need to record the substance of those discussions. Exactly what do you mean by every term used in an indicator? From what population do you intend to collect data? Farms? Households? Rivers? Children? Be specific. Does a household mean a nuclear family—a father, a mother and their children—or does it mean an extended family, such as, "everyone living under a common roof?"

At this point, you may find it easiest to move across the table, working on one indicator at a time until all aspects of the PMP are developed for that indicator. For each indicator, you will need to provide both definitions of key terms and information about the unit of measurement to be used.

### Your Indicator Definition and Measurement



Review our Civil Society example. Then use your own PMP table to record the decisions you and your team have made about definitions and units of measure for one of the indicators for which you and your team are responsible.

## Step three: Identify your data sources

When we talk about data sources, we are asking ourselves from where, whom and through what mechanism information on our indicators will come. Will the data simply be extracted from the monthly reports of extension agents? Will it come from a specific question on a household survey that is repeated every year, or every four years? Or will it come from a quarterly or annual report published by a ministry? Your answers to these questions will help your team determine whether the data for a specific indicator, or for a cluster of indicators, are likely to come from existing sources or from new data collection efforts that must be undertaken for the

# 2

# 3

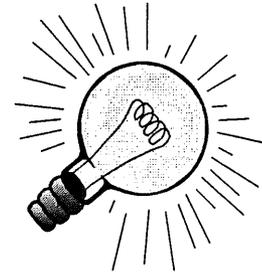
specific purpose of gathering performance information about an SO or IR.

As you can see, it is almost impossible to identify a data source without briefly describing the method by which the data will be collected. We find ourselves saying "the Ministry of Agriculture's records" or "USAID's Demographic Health Survey (DHS)" to indicate both the source and the method. Technically, the data source is the entity from which we will obtain data. Reports, surveys and the like are specific data collection methods. Because of the tendency to think about data sources and data collection methods simultaneously, we would encourage you and your team to work on Step three and Step four of the process for completing a PMP simultaneously. Decisions about data collection methods are vitally important in a PMP. They should not simply be driven by decisions about sources.

Existing data sources, such as ministry reports, offer an inexpensive way of obtaining answers to questions about performance if these reports contain valid and reliable information. The quality of existing data is something your team needs to consider carefully when making decisions about data sources. Before deciding to use existing data sources, it's a good idea to ask the people who gather these data how they do it. If the data come from reports submitted by field staff, for example, or clinics or village-level microenterprise lending units which are part of a larger network, you might ask what procedures are used to validate the data. Are occasional site visits made to "spot check" on these submissions? If the existing data your team is considering using come from a survey that is carried out at regular intervals, you might want to ask how survey respondents are chosen. Are they, for example, selected using random sampling techniques?

If your team has reviewed the quality of data produced by an existing source and decided to use this source, enter as complete a description of this source as possible in your PMP. What ministry produces the report you will use? Does the report have a name or number by which it is identified? Are there specific charts in this

report from which you will draw data each year? Do these charts have names or numbers by which they can be identified from year to year? This is important, because one of the basic assumptions of a performance measurement system is that data will be gathered in a consistent, or comparable, way. That means doing it exactly the same way every year.



Note: When you write your data source descriptions, remember that one of the purposes of a PMP is to create the kind of record your successor might need should you change jobs. Write the kind of data source description that you would like to find waiting for you if you went to another USAID Mission or headquarters operating unit.

When there is no existing source of information, or when your team decides that the quality of data available through existing sources is not satisfactory, new procedures for gathering performance information have to be established. This section of the PMP asks you to provide a brief description of these new data sources, for example, patient intake forms that will, from now on, be completed by all clinics that provide health care services. Since the next column in the PMP asks for information about data collection methods, statements in the data source column need not be elaborate with respect to methodology, but they should be clear.

In our Civil Society example, we describe an existing data source for our indicator. If there were not an existing data source, the performance measurement team would have to develop either a new data source for the indicator or a different indicator for which data could be collected.



### **Your data source**

Using your PMP form, try writing a description of the data source you have selected for one of the indicators for which your team is responsible.

**Step four: Describe the method by which data will be collected**

As noted above, teams often find it useful to make decisions about data sources and methods simultaneously. In a PMP those decisions are reflected in two different columns, partially as a way to ensure that both the entity from which data will be obtained and the method itself are both adequately described.

As anyone who has previous experience with data collection already knows, there is a whole range of methods or techniques that can be used. That spectrum can include *case studies* (the examination of a single instance, or one unit of a larger population) at one end of the spectrum, and a *census* (the examination of all units of a population) at the other end. Most of the time, we do not select either of these extremes. We need data from more than one case, but we do not necessarily need data from every village, or farm or child. In between these extremes are methodological options that include both formal surveys and structured, but less representative, procedures for obtaining data from knowledgeable individuals or community groups.

*When it comes to judging data quality,  
the methods used to acquire information  
are a determining factor.*

Decisions about which data collection method best meets your team's needs should reflect your expectations about how the data will be used. If, for example, you want to generalize about a whole population based on data from only a portion of that population, you may need to use a random sampling procedure for selecting the individuals, clinics or provinces from which data will be

collected. If, on the other hand, you want to know how opinions and attitudes are changing in different parts of the country, a focus group—an interviewing technique which selects people because they have similar views, economic profiles, etc.—might be appropriate.

Since data collection methods vary widely, and each method has its advantages and disadvantages, your team may find it useful to consult with someone who has a good deal of experience with data collection. Often such experts can be found nearby. For example, the ministry that is responsible for a country's census usually has staff who are familiar with sampling issues and who know whether there exist lists (of individuals or villages or farms) from which samples can be drawn. Local universities, and often the universities, contractors and PVOs with which an operating unit is already working have staff who are familiar with community interview techniques and other methods that are sometimes called "rapid appraisal" techniques." (For a quick summary of such techniques, see the USAID/CDIE "TIPS" publication on this topic.)

In your PMP, the key decisions you and your team make about data collection methods should be described. As our Civil Society example suggests, the description you write should identify the method to be used (observation, interviews, technical measurements, such as height and weight). These descriptions also need to indicate whether and what kind of sampling techniques will be used. It is also a good idea to indicate the unit from which data will be collected, for example, families, wells, villages, etc. (A term that is often used to describe the units from which data are collected is *unit of analysis*. This differs from the term *unit of measurement*, which was discussed in Step two. A unit of measurement refers to what is being counted, for example, dollars, pounds or kilograms, test scores, distance, etc., rather than the person or plot or school that provides these answers.)

### **Your method of data collection**

On your own PMP form, describe the data collection method that will be used in enough detail to give the reader a good sense of both the scope of the effort and the quality of the data it is likely to produce.



**Step five: State the frequency and schedule for data collection**

5

While this step in the PMP development process is fairly simple, it is also very important. Each year, you and your team will be expected to report on performance for the IR or SO for which you are responsible. That means providing data every year on at least some indicators. On the other hand, it may not be practical or appropriate to report on every indicator every year. Fertility rate surveys, for example, are undertaken only every few years in most countries. The data collection frequency and schedule column of the PMP makes your team's intentions in that regard explicit.

When filling in this column be sure to note any important information concerning the schedule for data collection as well as its frequency.

**Your frequency/schedule for data collection**

On your own PMP form, write a brief description of the frequency and schedule for collecting data on the indicators on which your team is working for this exercise.

**Step six: Indicate who is responsible for data collection**

6

The final step in the process for completing a PMP asks you to specify who will be responsible for collecting and analyzing the performance data your team needs on each of the indicators it has selected. Generally speaking, operating units in Washington and Missions overseas use this column of the PMP form to identify the external source that will provide them with data.

Often their entry in this column is the same as that shown in the data source column, for example, the Ministry of Environment and Natural Resources. In other cases, the entry under this column will be the name of the university, PVO or firm that USAID has asked to collect these data, either as part of an existing contract or grant, or through a separate arrangement that focuses exclusively on data collection and analysis.

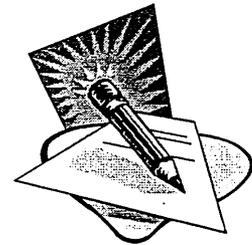


As noted above, some operating units also use this column—or subdivide the column—to identify who *within* the unit is responsible. That is, which member of your team will oversee the contract that gathers data, or serve as the liaison to the office within the ministry from which a particular report will be obtained? Even if your Mission or operating unit does not require you to identify the staff member who has this responsibility, some teams have found that it is useful to annotate their own copies of the PMP with this information.

Some teams decide to centralize the responsibility for data collection in one team member. Other teams divide up these responsibilities. Ask your team members which approach they prefer, and be willing to change that approach if it doesn't work well for the team.

### **Those responsible for data collection**

On your own PMP form, identify the external and internal actors who are responsible for acquiring data on the indicator you have chosen.



### **Conclusion**

At this point you have completed each of the steps involved in developing a PMP. You are now ready to complete the PMP for the SO or IR for which your team is responsible. Before turning to that task however, review what you have practiced in this module and ask yourself whether you and your team have made all of the decisions you need to make before filling in a PMP form. If your answer is "no," you might want to consider setting up a series of working meetings or establishing sub-teams which will make these decisions.

The PMP form can serve as a useful outline or agenda for such meetings—but it should not become the central focus. Remember, developing a performance monitoring plan is a decision making process. It requires careful thought. It may even require consultation with individuals who have a broader knowledge of existing data sources or data collection methods than do the members of your team. Your job is to make certain that your team's decisions are sound decisions which will yield valid and reliable data across a number of years. Once you and your team have made those decisions, it's easy to fill in the PMP form.

