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GEORGE MASON UNIVERSITY

FY 2004 Annual Performance Report Scorecard
Agency: U.S. Agency for International Development (USAID)

SCORE SUMMARY		
Transparency:	11	
Public Benefits:	14	Minimum per category = 4, minimum total = 12
Leadership:	12	Maximum per category = 20, maximum total = 60
Total:	37	
<u>Score (1-5)</u>	TRANSPARENCY	
<u>4</u>	1. Is the report easily accessible and easily identified as the agency's Annual Performance Report?	
<p>The agency's home page has a direct link to the report, which is downloadable in a single PDF file or separate files. There is no contact information.</p>		
<u>3</u>	2. Is the report easy for a layperson to read and understand?	
<p>The report is visually appealing. It makes good use of graphics and photographs. The administrator's cover letter is good. Various narratives in the report do a good job of highlighting the agency's accomplishments. See, for example, the section on Most Important Results and Continuing Challenges beginning on p. 37. However, as discussed under several items hereafter, the content of the report has a number of limitations that make it difficult to understand how the agency performed against its FY 2004 goals and measures. The two main reasons for this seem to be: (1) the agency's current performance reporting system is not on the same timetable as the FY 2004 report; and (2) the agency is undergoing a major restructuring of its goals and measures. As the agency works through these issues, its future reporting should be improved.</p>		
<u>2</u>	3. Are the performance data valid, verifiable, and timely?	

The administrator’s transmittal letter, at p. 7, falls short of the Reports Consolidation Act’s requirements in stating: “We have made every effort to verify the accuracy and ensure the completeness of the financial and performance data presented in this report.” Moreover, the inspector general’s description of major management challenges, at pp. 281-282, offers a strong critique of both the completeness and credibility of the report’s performance data. The inspector general (p. 282) found major weaknesses in the Management Discussion and Analysis section of the report, including the following: The agency’s current system does not permit reporting of agency-wide performance results for the current year. As a result, the description of Most Important Results and Continuing Challenges is based on FY 2003 results. Also, the inspector general (p. 282) questions the preliminary performance results contained in the report (presumably referring to pp. 36 and 44) on the basis that “it does not appear reasonable to estimate that USAID will be able to accomplish each of the FY 2004 performance targets to the exact amount or quantity stated in each target.” The inspector general outlines further issues concerning the reliability of performance reporting in its report on the agency’s financial statements. See pp. 252-253. In its response to the inspector general’s presentation, the agency does not contest (although it does seem to understate) the inspector general’s findings in this regard. See p. 73. The agency acknowledges that lagging data is a serious problem and prevented reporting even estimated results for 23 of the agency’s 73 measures. See p. 36. On p. 95, the report indicates that the percentage of results on or above target remains to be determined for all of the strategic goals.

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4. Did the agency provide baseline and trend data to put its performance measures in context?

The report provides baseline and trend data for some measures in the performance section beginning on p. 95. However, many measures are new for FY 2004 or FY 2003 and thus have limited prior year data. Also, as discussed hereafter under item # 6, a number of the FY 2004 performance targets have been fixed at whatever results were achieved for FY 2004, thus providing little basis to assess the agency’s performance.

Subtotal: 11

Score (1-5)	BENEFITS TO THE COMMUNITY
<u>5</u>	5. Are the goals and objectives stated as outcomes?
	<p>USAID and the State Department have developed a new joint strategic plan. Thus, USAID's seven programmatic strategic goals, set out at p. 31, are the same as the State Department's although the State Department has some additional strategic goals. Likewise, USAID's annual performance goals under its programmatic strategic goals, which are scattered throughout the performance section of the report, track State Department performance goals. (One of the USAID performance goals is missing from the report.) The agency's development of joint goals with the State Department has resulted in a major improvement over last year in this category. Like the State Department's goals, USAID's strategic and performance goals now are very outcome-oriented although many are necessarily stated at a high level of generality.</p>
<u>3</u>	6. Are the performance measures valid indicators of the agency's impact on its outcome goals?
	<p>As the report notes (pp. 96-97), the agency's performance metrics are "evolving" from those relevant to its former strategic plan to the new joint USAID-State Department strategic plan. The FY 2004 measures are caught in the transition. A number of measures are new for FY 2004. With respect to many of these, USAID seems to be taking the same approach as the State Department by defining the measures and targets as specific actions to respond to particular current needs and conditions. The targets often are expressed in qualitative rather than quantitative terms as narrative accomplishments. Since the measures are new, many of the FY 2004 "targets" simply reflect the actions or accomplishments actually achieved (or estimated) for FY 2004. See, e.g., pp. 103, 113, 114, 125, and 126. Some of the measures do not appear objectively measurable. See, for example, the FY 2004 target on p. 110 to "maximize" international participation in aid to Iraq. Other measures are activities rather than results. See, e.g., p. 104. The agency's measures will better lend themselves to assessment once the evolution to the new strategic framework is complete.</p>
<u>2</u>	7. Does the agency demonstrate that its actions have actually made a significant contribution toward its stated goals?
	<p>The performance metrics in the FY 2004 report do little to demonstrate FY 2004 contributions. As discussed previously, many of the measures do not have meaningful FY 2004 targets and much of the data in the report is incomplete, or in view of the inspector general's critique, suspect. For this year, the reader must rely largely on the narratives to get a sense of the agency's accomplishments. As noted previously, these limitations should be ameliorated as the new system evolves.</p>
<u>4</u>	8. Did the agency link its goals and results to costs?
	<p>At p. 33, the report links budget resources to the strategic goals. More importantly, the performance section of the report further links costs to individual performance goals. See, e.g., 102.</p>
<u>Subtotal: 14</u>	

<u>Score (1-5)</u>	FORWARD-LOOKING LEADERSHIP
<u>4</u>	9. Does the report show how the agency's results will make this country a better place to live?
<p>The narrative portions of the report are much stronger than the performance metrics in demonstrating public benefits. Starting with the administrator's transmittal letter and continuing throughout the performance sections, the report provides many examples of the agency's accomplishments and relates them to public benefits particularly in terms of promoting stability and security and enhancing humanitarian objectives.</p>	
<u>2</u>	10. Does the agency explain failures to achieve its goals?
<p>For reasons previously discussed, the report provides limited insight into the agency's performance against its FY 2004 goals and measures. Likewise, there is little discussion of specific FY 2004 performance shortfalls. The report does discuss FY 2003 performance shortfalls and steps being taken to improve on them. See pp. 57-58.</p>	
<u>3</u>	11. Does the report adequately address major management challenges?
<p>The inspector general's presentation of major management challenges appears at pp. 277-284 and indicates that the agency is taking significant action to address most of them. The agency responds to the inspector general's presentation on pp. 72-74 and also lists remedial actions. One deficiency is that the agency does not fully acknowledge or respond to the criticism of performance measurement weaknesses.</p>	
<u>3</u>	12. Does it describe changes in policies or procedures to do better next year?
<p>As noted previously, the report has little on specific FY 2004 performance results, including shortfalls. On a more general level, the report does describe and discuss programmatic challenges for the future and how it will address them. The agency is also in the process of fundamentally reworking its performance accountability and reporting.</p>	
<u>Subtotal: 12</u>	