PD-AAE-617

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE: A (A = Add, C = Change, D = Delete) — Amendment Number: 43307 — DOCUMENT CODE: 3

2. COUNTRY/ENTITY: Worldwide - S&T Bureau - ST/MD

3. PROJECT NUMBER: 936-5317

4. BUREAU/OFFICE: 36

5. PROJECT TITLE (maximum 40 characters): Performance Management

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): MM 03 DD 30 YY 89

7. ESTIMATED DATE OF OBLIGATION (Under "B." below, enter 1, 2, 3, or 4): A. Initial FY 82 B. Quarter 3 C. Final FY 88

8. COSTS ($000 OR EQUIVALENT $1 =)

A. FUNDING SOURCE	FIRST FY 82 B. FX	C. L/C	D. Total	LIFE OF PROJECT E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	(300)	( )	( )	(5,700)	( )	(5,700
(Loan)	( )	( )	( )	( )	( )	(
Other U.S. 1. *						
Other U.S. 2.						
Host Country						
Other Donor(s)						
TOTALS	300			5,700		5,700

9. SCHEDULE OF AID FUNDING ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE 1. Grant	2. Loan	D. OBLIGATIONS TO DATE 1. Grant	2. Loan	E. AMOUNT APPROVED THIS ACTION 1. Grant	2. Loan	F. LIFE OF PROJECT 1. Grant	2. Loan
(1) 105	664I	720		0		300		5,700	
(2)									
(3)									
(4)									
TOTALS						300		5,700	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each): 050 | 240 | 250 | 960 | 970

11. SECONDARY PURPOSE COD

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code	BR	RDEU	INTR	PART			
B. Amount							

13. PROJECT PURPOSE (maximum 480 characters)

LDC organizations, USAID Missions, and Contractors use more effective management technologies for development programs.

14. SCHEDULED EVALUATIONS: Interim MM 10 YY 85 | Final MM 12 YY 88

15. SOURCE/ORIGIN OF GOODS AND SERVICES: [XX] 000 [ ] 941 [ ] Local [ ] Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a ____ page PP Amendment)

* Estimated USAID add-ons of $15 million will bring LOP total funding to $20.7 million.

17. APPROVED BY — Signature: [signature] — Title: Director, ST/MD — Date Signed: MM 05 DD 24 YY 82

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY

PROJECT PAPER

Performance Management

Project No. 936-5317

U.S. Agency for International Development
Bureau for Science and Technology
Office of Multisectoral Development

May 1982

Performance Management
Project Paper Outline

I. Project Description

A. Rationale

1. Problem

Wasteful and ineffective managerial practices not only characterize underdevelopment, they perpetuate it. Effective resource generation, programming, and use are vital to the achievement of development purposes. In short, LDC organizational performance must improve if development results bringing benefits to those who need them are to be produced. Improving performance means, among other things, improving management.

Performance improvement in LDC environments is not an easy task. LDC institutions are under continuing pressure to do more with less as available resources, always meager relative to need, stagnate or shrink. High energy bills, inflation, and persistent problems of productivity, economic adjustment and distribution of benefits affect both the developed and developing worlds; but the impact of these conditions has been felt most strongly in those countries least capable of coping with them. Further, demographic conditions in developing countries assure continuing population growth and employment shortfalls. The prognosis for the next several years is "more of the same."

In such contexts, LDC institutions must be concerned not with mere survival, but with discovering prompt means to increase the effective use of the resources at their disposal and raise their productivity. Discovering these means and employing them depends upon sound, creative management.

2. Past Efforts

The need to develop LDC managerial capacity has long been recognized by AID. As early as 1975, an AID working group on "Management Improvement and

Development Administration" -- The Hall Task Force-- pointed out that the New Directions mandate for equitable growth and popular participation would require innovative long-term management development and institution-building efforts. More recently, concern over what is often referred to as the "implementation gap," that is, the discrepancies between planned and actual results, has renewed interest in management.

Currently, management improvement figures as an essential ingredient of country development strategies and technical assistance programs. Recent analysis indicates that 25% of all Agency field projects either focus on management improvement as a major project purpose or include a specific component for it to support other purposes. These AID management development efforts cover all sectors, with a small minority devoted to what is considered the "traditional" public administration concern with revenue and tax systems, finance and accountability, or administrative reform.

The dominant response by USAID missions to inadequacies in institutional performance has been management education and training. In the FY 82 Congressional Presentation alone nineteen new manpower development and training projects with a management development focus or component were proposed. The life-of-project costs of these nineteen new starts is estimated at $152 million. While it now appears that about half of these will not be obligated in FY 82, the FY 83 presentation proposes another 23 new starts of similar projects with LOP costs of $14.8 million. Effective use of these funds demands the systematic articulation, mobilization, delivery and use of the best available knowledge and methods for design and implementation of management education and training programs.

However, managerial performance requires more than attention to deficiencies in skills or knowledge. Education and training activities are <u>necessary</u> to improve the management of LDC institutions, but they are usually not <u>sufficient</u>. The development of capable, effective institutions also requires attention to (1) the national and sectoral environment that affects

their work; (2) leadership and strategy (goal-setting, decisions, resource acquisition, guidance, evaluation); (3) organizational structures (who reports to whom, who does what, how information flows etc.); (4) internal systems (e.g., budgeting and accounting, personnel, monitoring); and (5) operating effectiveness (implementation). The final test of management is better organizational performance. Thus, the current conceptualization of management improvement and institutional development encompasses knowledge and skills enhancement with complementary activities designed to influence organizational environments, leadership, structures, systems, and implementation performance. It is from this perspective that the predecessor project, Project Management Effectiveness (PME), viewed the nature of the LDC management problem; and Performance Management shares this view as well.

3. PME Evaluation Recommendations

PME was evaluated in April-May, 1982 by an in-house Agency team of Regional Bureau, PPC, and DSP staff. The team assessed the performance of USDA's Development Project Management Center (DPMC) and the National Association of Schools of Public Affairs and Administration (NASPAA), the contractors for the project. Because Performance Management is a follow-on project to PME, close attention was paid to the team's recommendations during the planning phase of the new project. The resulting project design reflects the evaluation committee's overall concern that the new project clearly articulate the management improvement technologies in use and to be developed under Performance Management.

Three other major recommendations emerged from the evaluation. First, that the flexible modus operandi of both DPMC and NASPAA had served well in providing quick response, high-quality field service informed by applied research. Continuation of project activities should retain that flexibility. Second, the follow-on project should focus and clarify the applied research agenda. The evaluation stated that, during PME, DPMC and NASPAA had established their credibility with the missions and had built up a good track

record. However, subsequent efforts must be more selective in taking on field service in order to build systematically an in-depth knowledge base in several particular management domains. Third, the follow-on project should emphasize dissemination, identifying and reaching specific target audiences in LDCs and in AID with materials tailored to their needs.

4. USAID Comments

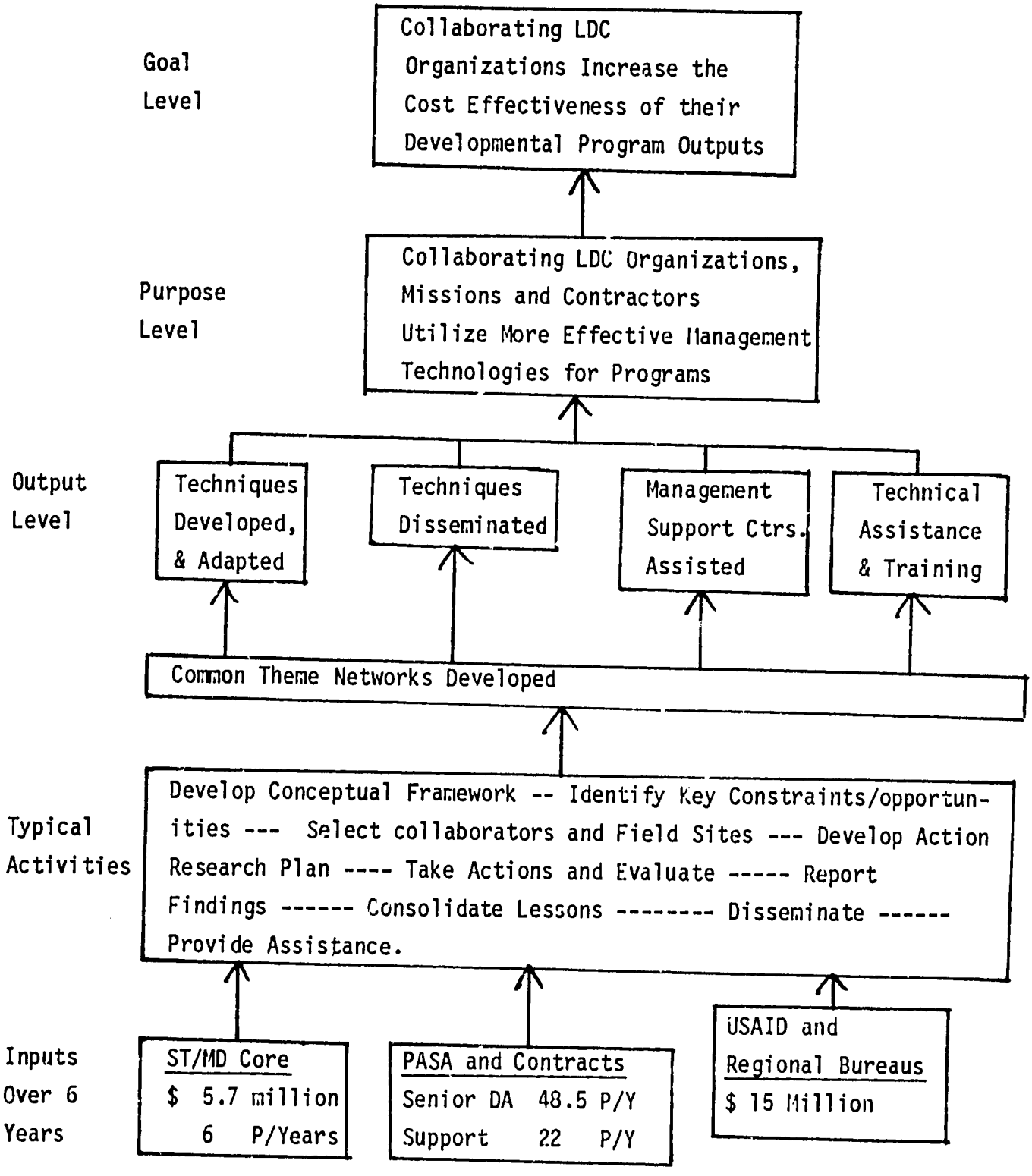
Comments from fifteen missions were favorable; two were neutral. One questioned whether implementation through the U.S. private sector would not provide more flexibility. Zimbabwe, which has not been involved with PHE, expressed interest in utilizing TDY services. A summary memo of USAID responses has been provided for the Human Resources Sectoral Council.

B. Objectives

The following figure provides a graphic display of the means-ends relationships of the project. These relationships are further described in the logical framework. The technical analysis provided in Section V elaborates upon the strategy underlying the project's design.

Goal: The Performance Management Project will increase the cost-effectiveness of development program outputs produced by LDC organizations supported by AID. Effectiveness means that a reasonable volume of outputs relevant to client needs are produced on schedule. Cost-effectiveness means that these outputs are produced in a way that achieves high quality and quantity in relation to the resources committed to the effort. The project has chosen programs rather than ministries or sets of organizations as the targets because programs produce specific outputs whose cost-effectiveness can reasonably be assessed. The project will seek to improve programs in a variety of sectors: for example, agriculture, including production services, irrigation, commodity marketing; local and regional government, including private sector promotion and strengthening of service

Figure 1: Project Objective Tree



delivery; or health, e.g., decentralized primary health care. Most of the work will be with public sector organizations, but the project will respond to private sector management needs upon USAID request. It will also encourage transfer of services to the non-government sector when appropriate, and foster increased use of private training and consulting firms.

Several external factors condition the attainment of the goal. First, a committed and relatively stable organization must exist and be supported by a political and economic environment that permits appropriate action to take place. Second, donor and host country alike must be committed to continued intervention and support over time given that self-sustaining management capability takes time to develop.

Purpose: In order to reach the project goal, those people working in and with LDC organizations and USAID missions need to use effective management technologies. These technologies include analytic methods (e.g., for assessing client needs and resources, internal organizational capacity, etc.), implementation systems, financial systems, organizational change (e.g., introducing new goals, tasks, procedures, personnel into ongoing organizational structures), and learning processes (e.g., helping organization members to think differently about their organizations, clients, outputs, etc.). To achieve its purpose, the project will apply existing management technologies and, through its R&D activities, develop and test new ones. The project will work through USAID Mission assistance programs to help build LDC management capacity.

Several important external conditions will affect the project's ability to reach its purpose. The people involved in project activities must be willing to accept changes and they must operate in an organizational setting that is sufficiently open to permit change to occur. Shared values as to the need for, and benefits of, change are also required in order for it to sustain itself and become institutionalized; this implies committed leadership and appropriate participation of people affected by the change.

Outputs: Seven outputs combine to achieve the purpose of Performance Management. These outputs contain a mix of field services, R&D, and networking. They cluster around the three categories of activities that constitute what the project will do: consolidating and applying existing knowledge, developing and testing and applying new knowledge, and disseminating both of these types of knowledge.

1. Knowledge consolidation and guidance produced. Under this output, five overview-guidance papers will be written. Paper No. 1 will be a baseline, state-of-the-art document describing where we are in terms of management technologies developed or disseminated by AID. It will examine ways to think about the project management cycle and how it relates to programs and organizations. It will look at choices among interventions; action training (learning-by-doing), people-centered methodologies (Korten's work), participant training, organization systems change, etc. Finally, it will briefly survey AID-financed work done under other, related projects; e.g., Indiana University's PASITAM, Cornell's work on participation, Syracuse's on financial management, and DAI's efforts on management of integrated rural development.

Papers No. 2 through 5 will be two-step documents consisting of an overview written early in the project followed by a guidance paper written after three or more years of additional experience. The guidance papers will help managers, trainers and consultants understand and apply the technologies appropriate to each subject. Paper No. 2 will focus upon program performance management. Paper No. 3 will examine the management of organizational change. Strategies for the design and programming of management training will be the topic of Paper No. 4; and No. 5 will deal with increasing the development impact of LDC management institutes.

2. Improved management technologies developed and tested under LDC conditions. This set of outputs will provide six technical papers and eight country assistance reports. The six technical papers will focus on the following topics:

(a) People-centered program management. By "people-centered" we mean program management that starts with analysis of the way particular groups of people make their livelihood; in other words, what survival strategies are open to them given the natural resource base, employment opportunities, existing infrastructure, social mobility, etc. From this starting point, public programs are designed that enhance opportunities for or reduce constraints to employment or access to natural resources. Such programs generally involve a mix of public investment, incentives for private sector development, and service delivery linked to the coping strategies of the target groups.

(b) Implementation approaches and methods. This topic covers techniques for managing the transformation of plans into results.

(c) Financial management. This paper will document the technology used in the AFR/SWA Financial Management project. The concern starts with accounting and involves installation and training for cost accounting systems in AID-assisted organizations. It will then attempt to influence wider financial management concerns of the host organizations.

(d) Microcomputers for program management. Desk-top computer systems have the potential for significantly altering managers' use of data. This topic reviews the potential for microcomputer use in managing LDC organizations.

(e) Integrating design perspectives. The concern here is with integrating economic and social soundness analyses in the project/program design process in such a way as to plan a more productive and beneficial project or program.

(f) Consultants as development change agents. This topic addresses intervention techniques appropriate for consultants from inside or outside an organization to use in introducing change into LDC organizations.

The eight country assistance papers will be the final reports of the eight long-term field support efforts to be programmed under the project (See 4. below). The assistance efforts will be predominantly USAID-funded. Central funds will support action research documentation. The reports will cover the experience of host country/USAID/project collaborations over the approximately three year duration of the placements. The emphasis in the reports will be on applications of technology, and other lessons learned.

3. Knowledge and methods demonstrated and disseminated. A variety of activities will lead to the production of this set of outputs. Seventeen R&D workshops are planned, one each for the five overview-guidance paper topics and the following for the six technical paper topics: a) three on people-centered program management, b) three on implementation, c) two on financial management, d) one on microcomputers, e) two on integrated design perspectives, and f) one on consultants as change agents.

In addition, eight demonstrations of the management methodologies to be developed and refined under the project are planned. These demonstrations are "field laboratory" applications or replications of the following methodologies listed below. As in the country assistance efforts, USAID funding will provide the predominant share of resources for this work:

a) People-centered analysis
b) People-centered implementation
c) Implementation systems
d) Financial management (Sahel)
e) Integrated design
f) Programming of management training for indigenous institutional development
g) Development of indigenous consultants as change agents
h) Assistance to LDC management institutes to increase their development impact.

Also included in this set of outputs is the distribution of publications. Over the life of the project, substantial numbers of copies of publications will be distributed to management institutes, consultants, trainers, and practitioners. Two audio-visual packages will be used in twelve locations.

4. Management support organizations in LDCs are assisted to use new technologies. Eight management support organizations are slated for collaborative relationships with the project in the form of: a) four with long-term advisors posted in host countries, and b) four with long-term recurrent TDY assistance. In addition short-term action research support will be provided as project funds permit. Management support organizations may include those that provide training consulting, or applied reseach services -- preferably all three. Long-term resident advisors will be 75-85% USAID funded and recurrent advisors almost entirely USAID-funded.

5. TDY services provided upon request. As under its predecessor project, Performance Management will provide USAID-funded short-term assistance for mission and host country management needs. Over the life of the project, 120 TDYs, approximately 20 per year, will be furnished.

6. Common theme networks functioning. As a means of knowledge building and dissemination, networks of organizations and individuals will exchange ideas, approaches and methods on (1) program management, and (2) management training. These common theme networks will exchange information that will facilitate the identification of management problems that cut across a variety of cultural/national/sectoral settings and the development of approaches to problem-solving that can be adapted for wide application. The networks will promote cross-fertilization in the twin realms of research and action among participants. The project anticipates that twenty LDC institutions will be active in network exchange.

7. Trainers, consultants, and managers trained. A final element of the project will be training services. In addition to training work of DPMC and

NASPAA the project will provide and IQC-type contract for USAID-funded, partially pre-packaged training of the type provided by Practical Concepts, Incorporated under a prior project. This contract will make available to the field management skills training courses on a quick-response basis that support USAID efforts to build LDC managerial capacity in high-priority organizations. The project will also encourage and support U.S. training programs tailored for LDC participants, such as those offered by Arthur D. Little and the Universities of Pittsburgh, Connecticut, Indiana, and Southern California.

The project will train or directly affect the training or 1200 LDC people in country or in U.S. programs. It will influence the training of thousands of additional LDC professionals. For example, management technologies produced by the project will be disseminated and used by LDC trainers or consultants.

Inputs: The inputs needed to produce the project's intended outputs are as follows: a) 48.5 person-years of senior development administration staff, including 13 person-years of consultant/contractor services, b) 12 person-years of support staff, c) 13 person-years of consultant services, and d) six person-years of ST/MD staff. The project has $5.7 million of central funding with an estimated $15 million additional monies from USAIDs and the Regional Bureaus. Further elaboration on the programming of these inputs, with projections for NASPAA and DPMC, is contained in the financial section below.

C. Detailed Description

1. Summary

The Performance Management Project aims at increasing the use of sound management technologies by LDC organizations. Project activities fall into three related groups: a) applied research (R & D), b) field service, and c) networking and dissemination.

Performance Management builds upon the applied research base, field service capability, and networking mechanisms developed under its predecessor project: Project Management Effectiveness (PME). The new project continues core funding of the USDA Development Project Management Center (DPMC) and a cooperative agreement with the National Association of Schools of Public Affairs and Administration (NASPAA). It provides for stronger R&D program and for more long-term institutional development work in LDCs (jointly funded with USAIDs) than did the old project.

Continuing what was started under PME, the project will provide prompt, low-cost, quality-controlled responses to USAID needs in analysis, design, implementation and evaluation concerned with management issues. Over the six year life of project, 120 TDYs are planned to fulfill these mission needs. In addition, R & D activities and the results of networking are expected to contribute to the project's ability to provide high-quality field service. The project will deal mainly with public management field applications, but will also respond to business management service requests as resources permit.

Short-term TDYs requested by USAIDs will be mission-funded. Core funds will cover R & D and central management and support by DPMC and NASPAA. Arrangements for long-term technical collaboration and networking will be cost-shared with participating USAIDs. The project envisions eight long-term field support efforts. Four of these will place residential advisor/researchers in host countries with joint funding and four will arrange long-term relationships through sequenced repeat visits by adviser/researchers.

The project's research agenda is designed around two common themes: program management and management training and consulting. Under the program management theme the particular areas of R & D emphasis will be: a) a conceptual framework for program performance and management, b) people-centered program management, c) implementation approaches and methods, d) financial management, and e) new technologies for program management. The

management training and consulting theme will focus upon the following: a) managing organizational change, b) strategies for and programming of management training, c) training methods and materials development, d) consultants as change agents, and e) improving LDC management institutes' development impact. As elaborated in the outputs section above, the project's R & D component will generate various forms of guidance and learning material for field use in increasing the cost-effectiveness of development programs.

The project will pay particular attention to dissemination of the R & D products not only through training, technical collaboration, workshops and publications; but also by establishing and supporting networks of organizations and individuals involved in the process of developing and testing improved management technologies. Networks will include members of USAIDs, LDC agencies and institutes, management support centers, universities, consulting firms, etc.

ST/MD will oversee the two major implementing agents, DPMC and NASPAA, and will manage the IQC-type contract planned to provide training of management trainer services. Central funding of $5.7 million for the project is expected to be supplemented by $15 million of AID Regional Bureau and Mission monies.

2. Applied Research

The project's R & D agenda will both document and advance the work started by DPMC and NASPAA under PME. Efforts to span the knowledge-action gaps in management performance, in training, and in shifting government service delivery from one-way, top-down modes to more interactive, client-involving ones will be redirected around the twin themes of the project: program management and management training/consulting. Each of these themes contains five clusters of related applied research that combine to form the theme.

Under the program management common theme there are the following five clusters of work.

a) Program Performance Management. This cluster identifies various approaches to performance and effectiveness. It seeks to answer the questions, what do we mean by effective performance and how is effective performance achieved? Research and experience has demonstrated that the standard answers to this question have led to inadequate results when we focus on impact. Actions undertaken or things produced are not enough; unless these actions and things help to generate sustained and valued benefits that improve people's lives, effective performance has not been attained. Thus, we need to develop a "results" orientation to inform the work on program management. The groundwork for this has been done under PME and other ST/HD projects within the Development Administration Division. Performance Management will build upon this base.

b) People-Centered Program Management. One aspect of performance has to do with building upon what clients already know and have. Effectiveness can be improved by developing new ways that public programs can redefine what clients are capable of doing and how service delivery can be reorganized to support self-help. R & D in this area is currently being done in the Philippines under PME and under the new project will be expanded to Thailand and Indonesia with possibilities in other interested USAIDs and host country organizations.

c) Implementation Approaches and Methods. A consensus of experience and analysis suggests that the implementation phase of the project or program cycle deserves the kind of concentrated attention that the design phase received in the past decade. Performance problems surface in the actual doing: we see delays in schedules, cost overruns, diminished or inadequate quality of outputs, and waste. The problems have their roots not only in poor techniques and faulty methodologies, but also in human behavior -- inability to reach agreement, to communicate, to work together, etc. Applied research that focuses upon both the social and the technical elements of implementation has been done under PME in the Sahel, Portugal, Kenya, Haiti, and Thailand. This will be continued under Performance Management and extended elsewhere as interest arises and resources allow.

d) Financial Management. This R&D cluster addresses concerns with fiscal accountability on the part of host country agencies receiving AID funds. The work began as a technical collaboration effort in the Sahelian countries to introduce a generic approach to accountability, but has since developed into an R & D effort to integrate more closely financial accounting with financial management. DPMC has been asked to provide technical guidance for a $4 million Africa Bureau project to do this in West Africa.

e) New Technologies to Support Program Management. The fifth R & D cluster under the program management common theme will review new technologies to support performance- oriented program management. Application of micro-computers in LDCs is one new technology currently being explored by DPMC. Funds for the first stage of this work were provided by USDA. Another review will address analytic techniques that better integrate economic and social analyses for project/program designs. The objective is to help improve local productivity and benefits.

The second common theme is management training and consulting. Its five clusters of inquiry are as follows:

(1) Managing Organizational Change. Experience shows that the "how" of introducing a change into an organization is as important as the "what" of the change itself. The conclusions of ST/MD's working paper on management development* signal both a need and an opportunity for a new approach. Building on considerable research and experience in the U.S. and abroad, the new approach is to help an organization or program modify its structures and procedures systematically and incrementally as it seeks to achieve its objectives. The approach emphasizes feedback and the ability to change course as important components of organizational change. This approach

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* AID/ST/MD, " Management Development Strategy Paper: AID's Response to the Implementation Needs of the 1980s," June 1981.

is being applied in the field in the Philippines, Portugal, and the Sahel. The task for Performance Management here is to sharpen the methodology and accelerate field testing and refinement and replication. The impact of this cluster of R & D activities has far-reaching consequences for the ways that traditional consulting, training, and organizational reforms take place. The bottom line for AID and the LDCs is that costs, time, manpower needs, and sustainability of organizational change could be significantly altered.

(2) Management Training Strategies and Programming. Most of AID funds for management development are spent on training. The magnitude of this expenditure reaches to the hundreds of millions of dollars. The R & D focus of this cluster is to do this training more effectively and at lower cost. The approach taken emphasizes training as an integral part of any organizational change intervention and seeks to combine it with consulting to achieve results. For this mode, effective training is that which takes place in direct relation to the work setting with people learning while doing their work (this is termed "action training"). Action training was thoroughly tested in Jamaica and is now in use in the Sahel, Portugal and Thailand. The project will invite other missions and host countries to participate in field applications so as to broaden the base of experience. With this new conception of training as part of organizational change, this R & D cluster also adresses the strategy and programming questions related to training. These questions concern what blends of participant, U.S.-based education, in-service training, and action training are most appropriate for a given setting. Pakistan is currently seeking answers to these questions with assistance from NASPAA; and the Africa Bureau is also interested in addressing these issues with a rethinking of its missions' training strategies.

(3) Management Training Methods and Materials. Closely related to (2) is this R & D cluster. Its concern is with the development of training methods and supporting materials appropriate for a new training strategy. It becomes particularly important in that action training, being closely linked with a particular work setting, requires a different mix of packaged vs.

individually tailored curricula and materials. Both DPMC and NASPAA, under PME, supported some work in this area which will be extended under the new project, mainly through regional bureau and mission funds.

(4) Consultants as Change Agents. This R & D cluster looks at the roles and tasks of both internal and external consultants as they seek to introduce and/or support change. It cuts to the heart of the technical collaboration relationship, addressing issues of "insider" - "outsider" relations, motivation and incentives, "expert" vs. "learner" orientations, short-term vs. long-term interventions, etc. Finding ways to prepare LDC consultants quickly and will make a substantial contribution to development management improvement. This needs has been repeatedly noted in Africa. Some work in this area has been done under the ST/HD project, Administration and Organization of Integrated Rural Development. Pursuit of the cluster's R & D agenda will begin from that base.

(5) LDC Management Institutes' Development Impact. This applied research cluster looks at how to strengthen LDC management institutes in training and consultation. It is paradoxical but true that many such LDC organizations are neither relevant nor helpful in assisting their clientele to become more cost-effective. Such institutes are important because they should serve as long-term, culturally adapted, problem-solving resources for their countries. How to find ways to develop their capacity to do this is the focus of this cluster. Work has begun in Sri Lanka, the Philippines, the Dominican Republic, and Central America; it will extend to Pakistan, Morocco, South America and African countries.

R & D work on the common themes will follow an action research methodology. That is, a research component will be built into technical collaboration efforts that provide for involvement in actual operations of LDC organizations. This mode will be followed for both short-term and long-term collaboration, though it will be more in-depth and formalized for the long-term arrangements. For these latter, advisor/researchers will be assigned to eight USAIDs. Four of these personnel will be long-term residential, and the other four will be recurrent visitors.

The residential positions will be jointly financed, with 75-85 percent mission funding and 15-25 percent project funding. A prototype of this arrangement exists with USAID/Manila and another is programmed for Morocco.

3. Field Services

Increasingly strong partnerships with Missions and Bureaus, and rapid increases in USAID-funded work have added to ST/MD capability to service field needs. From April 1980 to March 1982, 50 consultancies were provided to 25 Missions -- with commendations for quality of service. This increased Mission funding has permitted more of ST/MD's project effort to be devoted to R & D, but response to field services will continue. There are 120 TDY visits programmed for field service during the six-year life of project, or a rate of about 20 TDYs per year.

In addition, the action research work of the project will provide more field services through the following means: a) advisor/researchers providing technical assistance to Missions in eight countries; b) dissemination of research outputs to Regional Bureaus and Missions via mailings, workshops, and training courses; c) networks offering a steady stream of learning and exchange opportunities; d) demonstrations of new techniques for use in particular LDC projects; and e) training of trainer services available to Missions through an IQC-like contract.

4. Dissemination and Networks

Evaluations of ST/MD projects and of the office itself have stressed the importance of disseminating the knowledge gained and the lessons learned from applied research and field service. Accordingly, the project places special emphasis on getting what the project has learned to as many people and organizations as possible. This will be accomplished -- apart from one-on-one in-depth exchange during TDYs -- through workshops, demonstrations, publications, and audio-visual packages. Implementation workplans will pay special attention to utilization and dissemination throughout the project.

Key audiences for dissemination will be the following: AID personnel, both AID/W and Missions; AID implementing agencies and contractors; LDC collaborating agencies; LDC management institutes; PVOs; professional associations; U.S. universities, especially those with AID-funded participants in their degree programs; and international organizations. In short, the key audiences for dissemination will be the members of the common theme networks.

The networks planned for the project are formal and informal relationships to further its objectives, whether research, dissemination, or application. Networking began under PME. One evauation team member referred to a "cobweb" of useful relationships in Africa. The new project will expand networking according to the particular interests of those involved in Performance Management.

The figure on the next page reflects current and projected activities and participants of the common theme networks for Performance Management. Network activities will be covered in workplans for each research and dissemination activity. Hence, these will vary with time and the subject matter involved. It is expected that the core financing for the leadership effort will stimulate the provisions of manpower and funds from cooperating entities.

Figure 2: Current and Projected Common Theme Networking Activities and Members

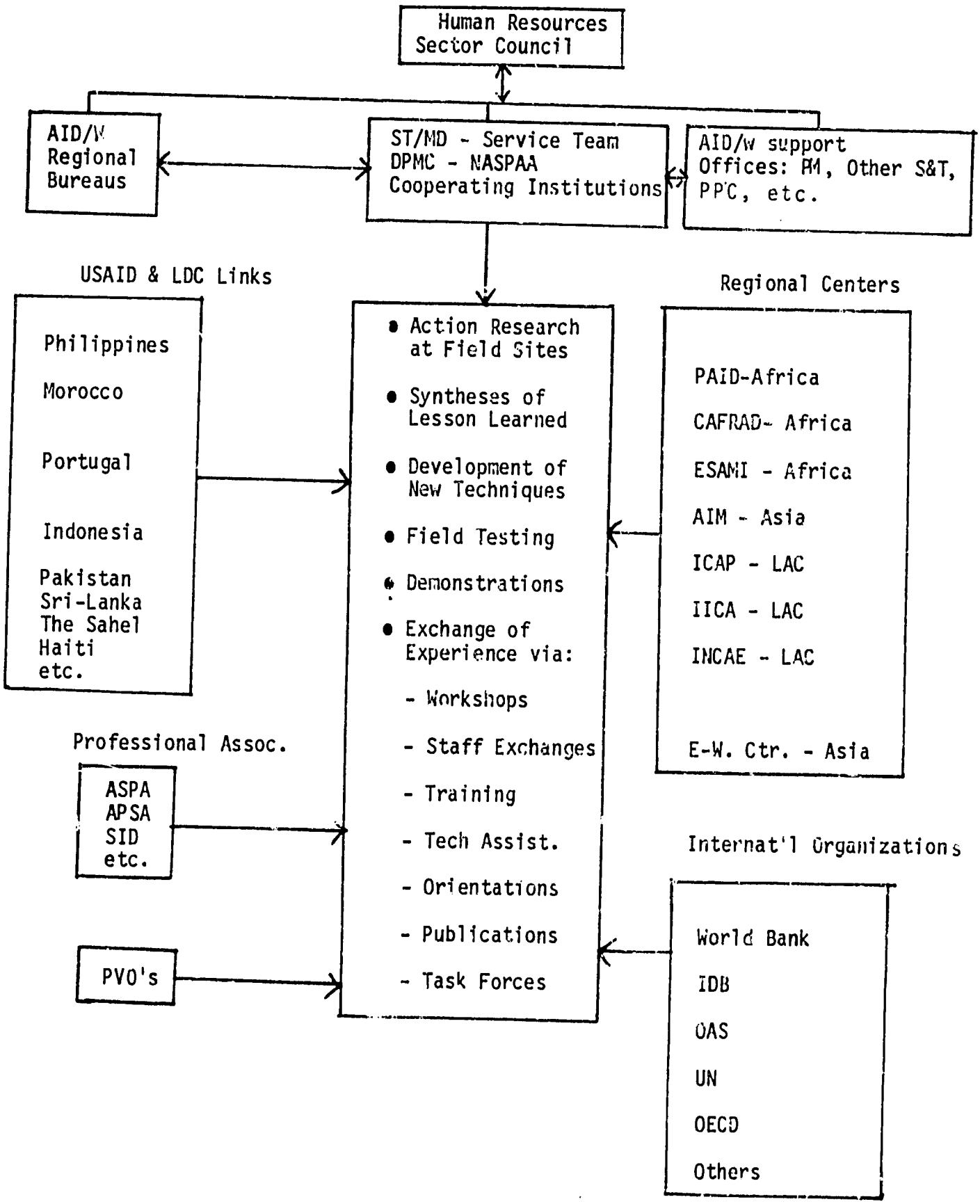

Figure 2: List of Acronyms, Regional Centers and International Organizations

AIM	Asian Institute of Management
APSA	American Political Science Association
ASPA	American Society for Public Administration
CAFRAD	African Center for Training and Research in Administration for Development
ESAMI	Eastern and Southern Africa Management Institute
E.- W. Ctr.	East-West Center, University of Hawaii
ICAP	Central American Institute of Public Administration
IDB	Inter-American Development Bank
IICA	Inter-American Institute for Agricultural Sciences
INCAE	Central American Institute of Business Administration
OAS	Organization of American States
OECD	Organization for Economic Cooperation and Development
PAID	Pan-African Institute for Development
PVO	private voluntary organization
SID	Society for International Development

II. Financial Plan

The cost estimate begins with a projection of staff and other line item costs from central funds using FY 83 as the base year. Since the two main implementing mechanisms (DPMC and NASPAA) are already in operation, a good basis of cost experience is available. The line item estimate assumes and annual compounded rate of inflation of seven percent and provides a five percent contingency based on the total estimate. Secondly, person-month inputs for major outputs are estimated and compared with line item allocations to determine whether it is reasonable to expect the program to be accomplished within the line-item allocations.

Table 1: Line Item Projection of Project Costs ($000 rounded)

A. NASPAA Budget Estimate for FY 1983

	Salary	Fringe @ 33%	Overhead @ 50%	FY 83 est.
Senior DA Advisors:				
#1.	52	17	35	104
#2.	45	15	30	90
#3.	40	13	27	80
Secretary	18	6	12	36
Program Research Assistant	15	5	10	30
Field Advisors:			@ .2	
#1. @ .25 of 52 =	13	4	3	20
#2. @ .25 of 52 =	13	4	3	20
#3. @ .25 of 52 =	13	4	3	20
#3. @ .25 of 52 =	13	4	3	20

Core Staff	420
Consultants/Contracts	60
Travel & per diem	20
Other Direct Costs	10
	510
Less USAID funding of core staff TDYs (104 + 90 + 80 = 274 x .15)	- 41
Net, NASPAA	469
B. DPMC (See Budget, Table 2)	284
TOTAL	753

C. Projection from FY 83 cost base assuming 7% compounded inflation:

FY 83	84	85	86	87	88	Total
753	806	862	922	987	1056	5386

Add contingency (5% of est. costs)	269
Total	5655 LOP
D. Management Training Contract (USAID Funding Only)	-
E. Other Procurement (reallocation from A or B or Contingency)	-
F. Mid-term Evaluation	30
TOTAL, LIFE OF PROJECT	5685

Table 2: Projected FY 83 Budget for USDA Development Project Management Center Based on FY 82 Budget

Line Item*	Management** $	Management** pms***	Short-term Consulting $	Short-term Consulting pms	Long-term Applied Research $	Long-term Applied Research pms	Papers and SOAPs $	Papers and SOAPs pms	Dissemination $	Dissemination pms	Total FY 828 $	Total FY 828 pms	FY 83 Total Based on FY 82 ($ rounded)
I. Salaries	46,964	18	4,176	1	26,041	9	21,865	8	27,360	14	126,406	50	
a. Professional #1	20,880	5			4,176	1	8,352	2	4,176	1	37,584	9	
b. Professional #2	4,176	1	4,176	1	8,352	2	4,176	1	4,176	1	25,056	6	same as FY 82
c. Professional #3	8,352	2			8,352	2	4,176	1	4,176	1	25,056	6	
d. Professional #4	6,480	3			2,160	1	2,160	1	8,640	4	19,440	9	
e. Sec-Typist	5,370	5			2,148	2	2,148	1	1,074	1	10,740	10	
f. Clerk-Typist	1,706	2			853	1	853	1	5,118	6	8,530	10	
II. Fringe Benefits	4,462		397		2,474		2,077		2,599		12,009		
III. Travel & Per Diem	4,000								2,000		6,000		8,000
IV. Rents, Comm., Ut.	4,700										4,700		
V. Print & Reprod.	3,000										3,000		same
VI. Other Services	1,800										1,800		
VII. Contracts	8,470	4		3	12,000	3	12,470	3	4,235	1	37,175	11	+ 12,000 = 3 pms
VIII. Supplies & Books	4,000										4,000		
IX. Equipment	1,000										1,000		
Total Program	78,396	22	4,573	1	40,515	12	36,412	11	36,194	15	196,090	61	216,000
Overhead	17,247		1,006		8,913		8,011		7,963		43,140		54,000 (25%)
													+ 14,000 (5% infla)
Total Cost	95,643	22	5,579	1	49,428	12	44,423	11	44,157	15	239,230	61	284,000

* Only central funding and centrally-funded person months are shown; excludes USAID-funded person-months. Remainder of person-months to a total of 12 for each person are mission-funded.

** Time of individuals in management roles is broken out in order to show the amount of expenditures and time in management and in other project functions (i.e., short-term consulting, long-term applied research, SOAPS or Dissemination).

*** pms = person months.

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Table 3: Estimate of Senior Staff from Central Funds (Person-Months)

	Total Pers. Mo.	Mgt. of Field Work to RAD	Short-term Consulting	Field and U.S. long-term Applied Research	Papers, Demonstrations, & Methods & Materials	Networking & Dissemination
A. NASPAA						
Sr. DA Advisors	30	12	(6) USAID $	4	8	6
Sr. Field Advisors	8	1	-	3	2	2
Contract Consultants	15	1	(14) USAID $	4	7	3
	53	14	(20) USAID $	11	17	11
6 Yr. Projection	318	84	(120) USAID $	66	102	66

NOTE: In addition to the 120 person-months of TDYs (est. $600,000 USAIDs $) NASPAA will manage, or design and provide technical supervision for $7 million of USAID programs through USAID funding.

B. DPMC (Central Funds)

	Total Pers. Mo.	Mgt. of Field Work to RAD	Short-term Consulting	Field and U.S. long-term Applied Research	Papers, Demonstrations, & Methods & Materials	Networking & Dissemination
Sr. DA Advisors	30	11	(16) USAID $	5	7	7
Contract Consultants	11	4	(14) USAID $	3	3	1
	41	15	(30) USAID $	8	10	8
6 Yr. Projection	246	90	(180) USAID $	48	60	48

NOTE: In addition to the 180 person-months of TDYs (est. $1,100,000 USAID $) DPMC will manage, or design and provide technical supervision for $6.3 million of USAID programs through USAID funding.

C. NASPAA & DPMC	564	174	(300) USAID $	114	162	114

NOTE: Staff allocations may be shifted among NASPAA, DPMC, and other procurement sources.

D. Training of Trainers Contractor

Est. 72 person-weeks/yr. trainers (plus support staff; USAID $).

Table 4:

Allocation of Centrally Funded DA Advisor (Core Staff and Consultants) Time by Output for Life of Project.

	Centrally-Funded Senior DA Person-Months
I. Overview and Guidance Papers	
A. Baseline paper	8
B. Program Performance Management	24
C. Managing Organizational Change	24
D. Management Training	24
E. LDC Management Institutes	24
Sub-total	104
II. Technology Papers	
A. People Centered Program Management	3
B. Implementation Approaches & Methods	7
C. Financial Management	4
D. Microcomputers for Program Management	2
E. Economic and Social Design Integration	4
F. Consultants as Development Change Agents	6
Sub-total	26
III. Country Assistance (assumes USAID funding of operations)	
A. Action Research Design (8 countries 4 mos. ea.)	32
B. Action Research Support (8 countries 4 mos. ea.)	32
C. Final Reports (8 countries, 1 mo. ea.)	8
Sub-total	72

IV.	R & D Workshops (17 x 2 mos. ea)	34
	Sub-total	34
V.	Demonstrations (Assumes USAID funding of operations and travel	
	A. People-centered analysis (1 yr.)	3
	B. People-centered programming implementation (3 yrs.)	12
	C. Implementation systems (3 yrs.)	12
	D. Financial management (4 yrs.)	6
	E. Integrated econ. and social design (1 yr.)	4
	F. Programming indigenous management training (1 yr.)	6
	G. Developing indigenous consultants (3 yrs.)	6
	H. Helping LDC management institutes better serve development needs (3 yrs.)	9
	Sub-total	58
VI.	Management of Field Work & R & D	
	A. 120 USAID-Funded TDYS	90
	B. Other	84
	Sub-total	174
VII.	Networking and Dissemination	114
	Sub-total	114
	TOTAL	582

Analysis shows that the project is tightly budgeted. If any of four major assumptions fails to hold it will be underbudgeted. The four are: (1) the cumulative inflation rate over the life of the project will not exceed seven percent compounded; (2) the project will maintain high efficiency in the production of R & D outputs; (3) USAID funding will cover all operational (as distinct from research design and analysis) costs in country assistance and demonstrations of technologies; and (4) unforeseen contingencies will not require more than five percent of unallocated costs over the life of the project. As to the last, A.I.D. project design guidance suggests 10 percent for contingencies. However, because the basis for cost estimates is well established for this project a five percent reserve for contingencies is considered an acceptable risk.

There are three factors that would raise costs which may not be apparent in the assumptions above. First, if more than 20 TDYs per year were provided, core staff management personnel time would increase, and costs would have to increased or other outputs be reduced. Second, any delays in implementation deferring activity to later years of the project, would increase costs because of inflation. The same effect would be produced by short funding of this project in its early years due to cuts below projections of ST/MD overall budgets. Third, if most travel for R & D networking and dissemination purposes cannot be handled as an add-on to USAID-funded operational travel, costs would increase. The base-year allocation of $34,000 for all centrally-funded travel may turn out to be inadequate, especially since numerous linkages in Asia appear to be emerging. Fourth, in spite of the assumption of USAID funding of administrative and operational requirements of core staff related to long-term country assistance efforts, the management workload on core staff may prove to be greater than estimated, and there will inevitably be a lag time between identification of core staff augmentation requirements and funding and availability of such USAID-funded core staff. DPMC is already encountering heavy core-staff workload of this type.

On the other side of the ledger, there are three factors which might somewhat reduce project costs. First, the central funding share of four field advisors has been budgeted for six years while the time they require to complete centrally-funded outputs in connection with their field work is estimated at three years. Second, USAIDs may fund more of NASPAA core staff for country assistance requirements than is shown in the base-year budget. Third, opportunities may arise to do demonstrations in one of the eight countries where concurrent long-term USAID-funded work is underway, thereby reducing the time and costs of travel.

Conclusion

On balance there is substantially greater risk that funding will be insufficient than excessive. Management reviews and the mid-term evaluation will need to carefully monitor fund use and may need to recommend adjustments in LOP funding or in outputs if contingency funds prove inadequate.

The budget will just support outputs if a set of relatively optimistic assumptions about conditions during implementation prove valid.

III. Implementation and Monitoring Plan

A. Implementation

The following tables describe the planned schedule for the R & D outputs of the project. Table 5 presents a schedule for the papers and workshops to be produced; and Table 6 indicates scheduling for the demonstrations.

As mentioned elsewhere in the text, the 120 field service visits are scheduled at a rate of 20 per year. Exact timing and number of TDYs cannot be fixed in advance since these are a function of USAID mission demand. Similarly, an exact timetable for networking cannot be fixed at this stage either. As Figure 2 shows, networking is an integral element of almost all of the project's activities. It began under PME, and will continue through the

Table 5

Implementation Schedule for R & D Outputs - Papers and Workshops
Year 19

R & D Outputs	83	84	85	86	87	88
Overview/Guidance Papers Topics: 1. Baseline, state-of-the-art 2. Program performance management 3. Managing Organizational Change 4. Management Training Strategies 5. Management Training Institutes a= overview b= guidance	1. 4a.	2a. 3a. 5a.		4b.	3b.	2b. 5b.
Country Assistance Reports			1	2,3	4,5,6	7,8
Technical Papers Topics: a. People-centered program management b. Implementation approaches c. Financial Management d. Microcomputers e. Integrated design methods f. Consultants as change agents	c. d. e.	a. b.	f.			
Workshops Topics keyed to overview/ guidance papers 1-5 and technical papers a-f	1. 4. a. c. d. e.	2. 3. b.	a. e. f.	b. c. 5.		a. b.

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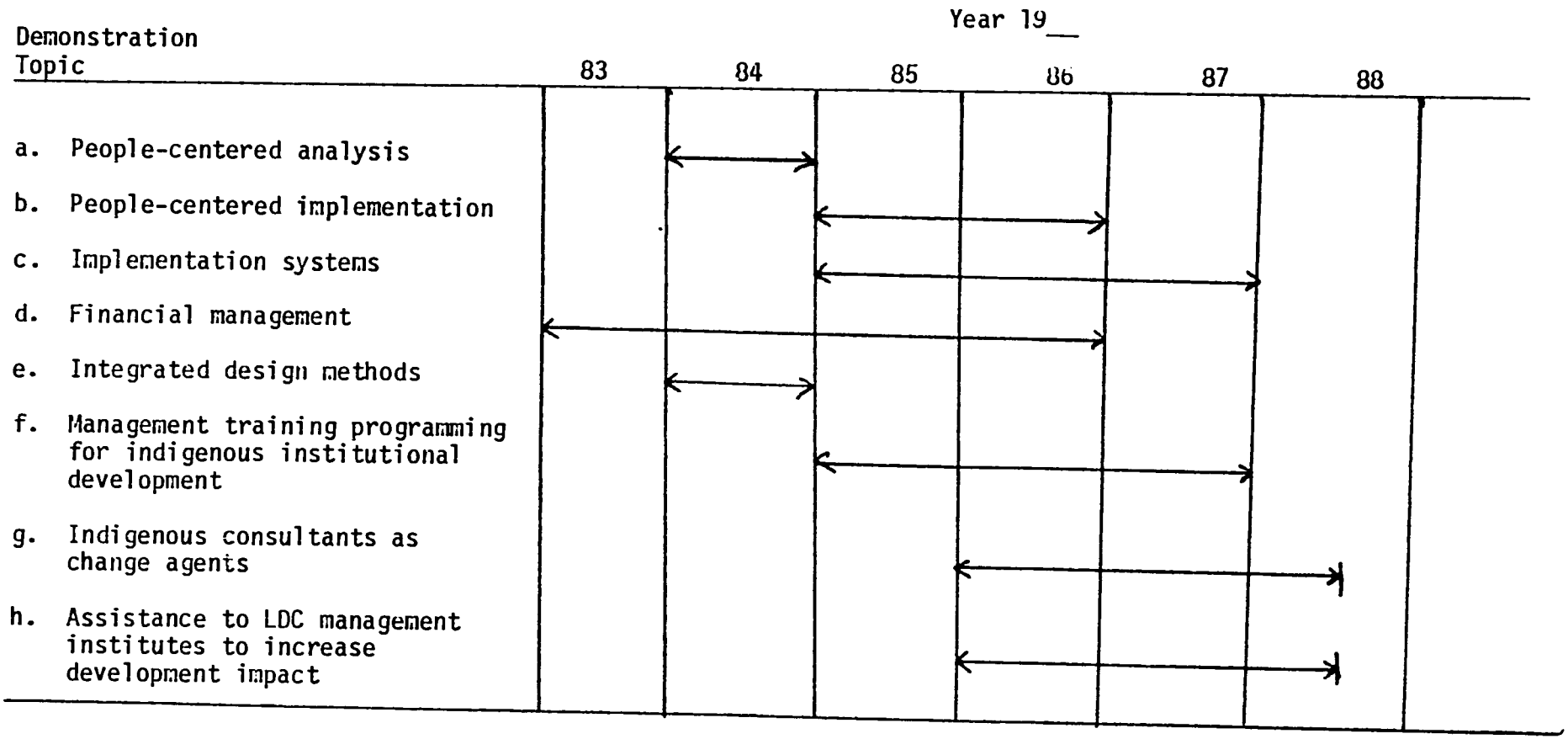
Table 6

Implementation Schedule for R & D Demonstrations



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life of Performance Management. Specific milestones for networking will be established in the context of the annual plans referred to in the section on monitoring below.

As can be seen from Table 5, the overview/guidance papers, after the first baseline state-of-the-art paper, are produced in two steps with the overview portions being completed early and the guidance sections late in the LOP. The country assistance papers, being the final reports from the long-term field support, come in the latter half of the project. The technical papers are spread throughout the life of the project; their order reflects the work ongoing under the predecessor project. The scheduling of the workshops is keyed to the timing of the overview/guidance papers and the technical papers.

Table 6 lays out a projected schedule for the eight field demonstrations of management methodologies. The timing, intensity, and length of several of these demonstrations are tentative because actual arrangements depend upon mission input. Several of the demonstrations under Performance Management represent extensions of ones already underway through PIME; for example, a) programming of management training for indigenous institutional development is being carried out by NASPAA in Pakistan, and b) financial management improvement is being done in the Sahel through DPMC. The other demonstrations in the table represent "best guesses" as to time and duration given current mission expression of interest and the availability of sufficient methodology to proceed with a demonstration.

B. Monitoring

Project monitoring will be carried out primarily via two management mechanisms: the annual workplan and the project committee.

1. Annual workplan: Each year of the project both NASPAA and DPMC will negotiate with the ST/MD project officer a workplan encompassing planned activities, level of effort, and outputs. Insofar as possible, these workplans will include projections of TDY activity as well. It should be

recognized that in the LDC and AID environments keeping to precise time schedules and production plans is difficult. The annual workplan is not intended to be a rigid blueprint, but rather to facilitate: a) a clear understanding of resource allocation patterns against outputs, b) a statement at a given point in time of staff obligations for particular outputs at specified times, c) programming of ST/MD support activities over the year, and d) feedback into project operations via the planned management reviews and evaluations. The annual plan, then, is not a device to constrain the contractors; but rather is conceived of as a performance improvement tool.

2. Project committee: Performance Management will retain the same project committee as PME. This committee is made up of representatives of each Regional Bureau, PPC, and PM/MD. The committee will provide technical oversight of R & D outputs and field services. The Regional Bureau members will bring the perspectives and needs of their regions to the attention of the ST/MD project officer and the implementing organizations.

IV. Evaluation Plan

Two evaluations are scheduled over the six year life of the project, one at the project's mid-point and one close to its completion. These evaluations will appraise progress in producing the outputs designed to achieve project purpose. They will include assessments of field services provided under the project as well, based on data obtained from missions and host country organizations that have been involved in technical collaboration with project consultants. Other areas to be evaluated will include research products and administrative performance in implementation.

In addition to the scheduled evaluations, two management reviews will be undertaken: the first approximately a year and a half into the project, i.e., halfway between start-up and the mid-point evaluation; and the second halfway between the mid-point and final evaluations. These reviews will be done in connection with the formulation of annual workplans. They will be carried out by AID personnel from the central technical and the regional bureaus.

There are, then, three occasions built into project implementation at which assessments of progress to date will be made. This provides for conscious attention to mid-course correction at scheduled intervals throughout the life of the project, and will help to assure that maximum impact is achieved. The final evaluation will highlight lessons learned, thereby furnishing input into future project designs.

V. Project Analyses

A. Economic Analysis

The nature of this project makes any effort at rigorous quantification of cost/benefit ratios an exercise in analytical chicanery. While many of the costs can be calculated with some degree of accuracy, available methods for quantifying benefits are totally inadequate. Specific costs are itemized in the Financial Plan above.

While an exact calculation of benefits is not possible, it is nonetheless recognized that improved management can result in significant increases in project/program effectiveness and efficiency. Solving implementation problems can mean that outputs are produced on time, waste is curbed, personnel are motivated to perform, and clients receive benefits appropriate to their needs and desires. The overarching goal of Performance Management is, as the project's title suggests, to improve the cost effectiveness of development programs. The potential multiplier effect of project activities is substantial, though specifics for the project as a whole cannot be predicted. The timely delivery of needed services and production support that promote self-sustaining development for poor people has large and positive economic consequences. While improved management is not a sufficient element in promoting development, the lessons of experience indicate that it is certainly a necessary one. Doing more with less requires management improvement; the R & D, knowledge consolidation, and skill-building to be undertaken and disseminated through this project will help a substantial number of LDCs to make what they have go farther. The economic returns to assisting them in this effort, though not precisely quantifiable, are real and constitute a major justification for the project.

B. Social Analysis

Socio-cultural concerns: In this project, socio-cultural concerns center on two factors: a) the link between the organizations that are the target of the project's activities and ultimate beneficiaries; and b) the fit between the particular socio-cultural context and the management improvement techniques employed. These two factors are related in that the choice of organization as a locus for project activity is made taking into account the management interventions appropriate for that setting.

With regard to the first factor, it is important to recognize that the socio-cultural impact of the project upon ultimate beneficiaries will be indirect. Project activities focus upon improving the management capability of LDC organizations in order that their effectiveness in delivering services and support to their clients is increased. The approach is to work directly with the organizations, and only indirectly with their clents. Therefore the choice of organization becomes the first step in generating social impact. The project will select those organizations as targets of intervention that demonstrate evidence of, or potential for, producing desired benefits for people in need of them.

Here, the project will continue the mode of selection employed in the predecessor project, PME. For example, PME provided design assistance to a management training project for Senegal's National School of Applied Economics precisely because the school is the major trainer of public sector personnel for field positions in rural development agencies. Performance Management will seek to support organizations that are, or can become, development institutions; ie. organizations valued within their own socio-cultural context whose major purposes are to contribute to the sustained improvement of the lives of a broad socio-economic clientele. In this, the project follows the latest Agency policy on institutional development as stated in the policy paper on that subject.

Concerning the second factor, the fit between the socio-cultural context and management improvement techniques, the project will build upon the lessons

learned under PME. Knowledge generated under the predecessor project showed that there are some generic aspects of management that are applicable everywhere, yet the practice of management varies according to the socio-cultural setting. Therefore, each management improvement intervention that touches upon these generic principles, whether through training, organizational systems design, etc., must be adapted to the socio-cultural context. PME field activities have operated from this perspective and the new project will too.

Beneficiaries: The beneficiary target at which the project aims is the rural and urban poor. It is they who will ultimately benefit from the improved performance of LDC organizations that provide services and support. To the extent that the organizations receiving technical assistance in management from the project are oriented toward the poor and are able to realize gains in effectiveness, these ultimate beneficiaries will be better off. Direct beneficiaries will be the managers and trainers/consultants who are able to increase their management skills and knowledge through activities of the project.

It is expected that women will constitute an important grouping of both the indirect and direct beneficiaries of this project. Women make up a significant portion of the rural and urban poor and are often involved in activities, e.g. truck gardening, rice cultivation, that can provide increases in incomes given appropriate support from public or private sector organizations. There is also evidence that in some LDCs women have been able to move into leadership positions in rural organizations that interact with the agencies that are the targets of Performance Management's activities. In addition some women have entered these agencies and organizations as employees and could become direct beneficiaries of project acitivities.

Participation: The performance improvement methodologies developed and refined under PME all emphasize participation, both of those within the organization where an intervention is taking place and of members of client groups. Performance Management will follow the same path; technical

assistance is viewed as collaboration with LDC institutions and their members. Appropriate interventions are developed with host country personnel, not for them. Without such an approach, no organizational change is sustainable.

The planned long-term resident advisor positions modeled after the Korten-USAID/Philippines and Roberts - USAID/Morocco arrangements currently supported by PME will provide opportunities for more in-depth participatory relationships to be developed. These relationships will extend to members of client groups as well in that a major concern of Performance Management's research track involves refining methodologies that can improve organizational performance by increasing client input into the planning, design, and production of services.

The project, therefore, is broadly participatory at levels extending from the local to the national. This builds upon existing knowledge about the importance of linkages among actors at all these levels, both inside and outside the particular organizations that are the focus of project activities. It is also important to note that the demand for management improvement assistance stems in large part from a felt need in the LDCs themselves. There has already been widespread participation of those directly concerned with the scope of activities to be carried out under Performance Management in defining and describing the nature of management problems in the LDCs.

Impact: In this project the major avenue for achieving impact will be through spread effects. The potential for these in the project is great. They exist at basically four levels: individual, organizational, and international.

At the individual level, the project will have an impact on people who have received training or acquired skills while working collaboratively with technical assistance teams. These people will carry this new knowledge to other situations and will apply it, thereby designing/managing better projects/programs.

At the organizational level, the project will generate spread effects as organizations that have raised their effectiveness continue to perform well, providing more and higher quality services to their clients. These organizations, whether at the local, regional, or national level, will have learned what it takes to be high performers; and especially if they are management training institutes will pass on what they know.

At the international level, project spread effects will take place through common theme networking. As new knowledge is created, intervention methodologies refined and tested, and performance improvement techniques fine-tuned, LDC and U.S.-based theorists and practitioners linked through networks will have the capability to advance the state-of-the-art in management improvement. The potential for widespread increases in LDC managerial performance as a result is significant, both for AID-financed activities and others. At all levels the existence of the felt need for improvements in management performance will serve as a catalyst for the project's impact.

C. Technical Analysis

This analysis contains three sub-sections that address the major technical considerations affecting this project. These are: a) the basis for the choice of the common themes that constitute the focus of the project, i.e., program management and management training/consulting; b) research methodologies to be employed; and c) the relationship between the project's field service mode of operation and its research agenda.

Choice of Common Themes: This project makes a deliberate effort to focus on programs rather than projects. Its predecessor, Project Management Effectiveness (PME), as its title implies, concentrated upon the project as the unit of both intervention and analysis. Performance Management's focus on programs represents an evolutionary change rather than an about-face. This change is a reflection of what has been learned in the development administration field and of shifts in Agency policy.

Before pursuing the reasons for this change, some definitions are in order. A project is defined as a set of activities undertaken to achieve a specific objective using limited resources in a bounded timeframe. A project, then, by definition is a temporary entity having a beginning and an end. Operationally, a project tends to function as a separate entity; either as a free-standing organization of its own, or as a discrete unit attached to a parent organization, of it but not in it.

A program has a looser definition than does a project. A program is a set of activities undertaken to achieve a social and/or economic goal through a ministry or agency using a combination of its regular resources and project resources. Thus, a ministry program will draw on its operating budget and on indigenous or internationally provided project funds. A program is a temporary entity in the sense of achieving specific objectives in a specific time period. However, it may repeat the cycle for an indefinite period. In terms of a resource base, a program can be said to control to some extent the resources available to its projects; but a program also draws on the recurrent budget of the organization in which it is located in order to support its higher-level management function. A program is usually less of a separate organizational entity than a project. Often a line ministry directorate is given program responsibility for recurrent services from its operating budget that may be related to a project or set of projects from its capital budget. For example, an irrigation agency may provide routine technical services and manage projects in a regional irrigation scheme. Well-managed LDC ministries conceive of their work in program terms, even if they treat that work as on-going, routine operations rather than as sets of related projects.

With the partial shift in R & D focus away from planning and toward implementation, the development administration field has in recent years been examining how to make things work. As a result, there has been an emphasis on achieving impact and generating sustainability. The project mode has been criticized for: a) bypassing organizational problems rather than solving them due to the propensity to treat projects as enclaves; b) not touching sustainability questions because, as enclaves, projects operate with a higher

level of resources than the "poorer" line ministries; and c) overloading LDC capacity to continue project activities once outside funding ceases. LDCs and AID need to address these issues and cannot do so by concentrating only on projects.

Because programs are more integral parts of the organizations in which they are located, seeking to improve program management brings us face to face with the important problems the project mode can allow us to overlook. This project, by focusing on programs, will deal with precisely the issues that the development administration field has identified as crucial. Program management improvement concerns capacity-building, institutionalization of change, and results-oriented performance.[1/]

In addition, the project reflects Agency policy concerns in these areas. In an era of shrinking resources, AID is emphasizing helping LDCs to do things for themselves. This emphasis has expanded Agency interest in developing LDC institutions that provide needed services, increase public and private sector capacity to generate benefits, and manage resources so as to achieve maximum desired impact for minimum cost.[2/]

The second common theme of the project, management training/consulting, reflects the importance of training as an approach to management improvement and the magnitude of Agency resources devoted to training. As in the program focus, the project's concern with training and consulting is built upon the base of experience and learning that exists in the U.S. and overseas. The same questions of sustainability, impact, and effectiveness arise here.

1/ See George H. Honadle, "Fishing for Sustainability: The Role of Capacity Building in Development Administration," IRD Working Paper No. 8, Development Alternatives, Inc., June 1981; Jon R. Moris, Managing Induced Rural Development, Indiana University, PASITAM, 1981; and Robert Abramson, An Integrated Approach to Organization Development and Performance Improvement Training, Kumarian Press, 1978.

2/ See the AID policy paper, "Institutional Development," a joint PPC-ST/MD document written in 1982; and the AID/ST/MD working paper, "Management Development Strategy Paper: AID's Response to the Implementation Needs of the 1980s," June 1981.

The project treats training and consulting together because it has been demonstrated that generalized management skills transfer is less effective than job-based training that both builds specific skills of individuals and prepares the organization to accept and benefit from the personnel who are trained. Thus training is but one element of the organizational change process. Consulting provides the other element, and in combination with training is the most effective way of introducing behavioral and structural change in an organization. In the training and consulting area, Performance Management will continue and extend the work done under PME. The action-training approach developed by DPMC and tested in Jamaica is being applied in Thailand, Portugal, and the Sahel[3/]. NASPAA's training needs analysis work in Haiti and Pakistan are at the forefront of training strategy.

The activities planned under this common theme address the institutionalization and capacity-building concerns of the Agency by working with LDC agencies' in-house consultants and with LDC management institutes' faculty. Both short-term TDY and long-term technical collaboration under PME and the new project operate in a participatory mode designed to transfer skills to host country people through their involvement in organizational and training interventions. Helping LDCs to manage their own development is the unifying thread running through the technologies being applied.[4/]

Research methodologies: Several different ways of conducting research will be employed in the project. The overarching methodology is what is termed action research. This means carrying out research-- that is, testing propositions in particular contexts or seeking to tease out of specific situations generalizable rules applicable elsewhere-- while solving an

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3/ See Merlyn Kettering, "Action-Training in Project Planning and Management," DPMC, April 1980; and NASPAA, "The NASPAA/AID Cooperative Agreement: Lessons of Experience," May 1982.

4/ See David C. Korten, "The Management of Social Transformation," Public Administration Review, November/December 1981.

operational problem. Doing action research involves client and host country practitioner participation in data collection, decisions about what to do, doing it, and checking on results. It is a "do-it-yourself" scientific method under operational conditions where the pursuit of understanding is not an end in itself, but is carried out in the service of implementation. The advantages include its indigenous capacity-building component, and the quick feedback that comes from trying something out subject to all the dynamics of real world action. Given the involvement of those closest to the situation and the mutual testing of solutions, the action research methodology is likely to collect accurate data and develop feasible solutions for the least cost. The disadvantages are the subjective bias implicit in direct involvement in the phenomenon of study and the presence of numerous uncontrolled, and uncontrollable, variables that cloud the articulation of causes and effects (a problem common to all social science research).[5/]

In addition to solving operational problems, action research, by virtue of its participatory methodology, allows science to build a knowledge-base that is user-relevant. Mainstream science has been criticized as favoring precision over accuracy. Precision refers to the ability to define quantitatively relationships among variables under varying conditions. Accuracy means that applying a proposition to a particular circumstance will get you where you want to go. Action research by developing its testable propositions in concert with those responsible for achieving results, emphasizes accuracy. Precision is valued to the extent it can contribute to useful, effective action.[6/]

5/ See Stephen Isaac and William B. Michael, Handbook in Research and Evaluation, Robert R. Knapp, Publisher, 1974; and Gordon Lippitt and Ronald Lippitt, The Consulting Process in Action, University Associates, Inc., 1978.

6/ See Chris Argyris, Inner Contradictions of Rigorous Research, Academic Press, 1980; and Bayard L. Catron and Michael M. Harmon, "Action Theory in Practice: Toward Theory Without Conspiracy," Public Administration Review, September/October 1981.

As a part of, or in some cases separate from, action research, the project will use document review and analysis, surveys and questionnaires, and case study development to further its R & D objectives. Since no single research technique is appropriate for all occasions, the use of a variety of research tools will help to compensate for the particular drawbacks of a given tool.

Finally, it should be noted that pursuit of the project's R & D agenda using an action research methodology is perhaps the only way that the project can gain access to its intended data base. USAIDs are rarely willing to accept pure research studies that have no perceivable operational pay-off. The action research methodology, by making it possible for field investigators to collaborate in solving immediate problems associated with on-going projects or programs, has shown its worth to missions by helping them "where it hurts" and generating valid research findings as well. An added advantage is that missions are willing to share the costs of such TDYs, thus leveraging the project's R & D budget sustantially. Experience with PIE has clearly demonstrated the utility of the action research methodology, and the new project is on technically solid ground in continuing its use.

Field Service Mode: A portion of the funds of the project are devoted to providing technical services for missions in ways which are different from those commercially available from consulting firms. The main differences are: a) the use of applied research findings to inform field service rather than use of a standardized consulting "package" approach, and b) the continuity of staff that permits a) to take place. This technique was initiated in the predecessor project and found to be successful; it will be continued in Performance Management.

The field service component of the project is characterized by:

(1) Use of interdisciplinary teams. Past experience has demonstrated that management problems are complex combinations of technical, economic, cultural, social and financial factors. The mix of specialists that deal with these problems must likewise respond to the nature of the problem and not to boundaries of any given discipline.

(2) Application of state-of-the-art assistance. The field of management is undergoing continuous change, both at the conceptual level as in the blending of behavioral and management science precepts, or at the technical level as in developing a simplified accounting method for collaborating organizations using AID counterpart funds. To overcome the variability in quality of commercial management consultants, ST/MD has made an effort to develop a high quality, field proven group of consultants through DPMC and NASPAA, and to provide through these specialists the latest in state-of-the-art of program management improvement.

(3) Knowledge consolidation. The specialists used for providing field services also gather first-hand experience and are expected to contribute through a number of feed-back mechanisms to the growing body of knowledge and research. This feedback and continuity has already helped to develop the action training approach and the current management strategy to improve program performance by integrating behavioral science and management science techniques for training and consulting. Thus, field service contributes to the development of improved techniques.

(4) Low cost. Cost savings have been achieved by using DPMC and NASPAA, both of which can provide services with an overhead rate of about 25%-50%. This compares very favorably with commercial firms some of which can charge 100% to 200% for overhead.

The field-service mode to be followed in the new project is one highly valued by the field. Services provided under PME resulted in frequent cables of congratulations to ST/MD from Missions for promptness and quality of response. In the final evaluation of PME, the Regional Bureaus indicated their pleasure at the rapidity of response, the simplified paper work and the quality of work done.

D. Administrative Feasibility Analysis

Performance Management starts with substantial advantages in administrative arrangements because it builds on successful experience and

tested implementation vehicles developed under the predecessor project. The PME evaluation gave high marks to both DPMC and NASPAA for their staff capabilities and service-oriented operations. The evaluation noted the especially favorable growth of capability over the past two years. At the same time, it indicated a need for further focusing of objectives, notably for R&D, and for a "where do we want to be 5 years from now" statement. The evaluation raised significant issues about USDA constraints in (1) space allocations that are harmful to DPMC operations and (2) in permanent staff positions that could, if unresolved, seriously degrade its capabilities. These conditions are discussed in detail below. For convenience of presentation the categories developed by Esman et al for institutional analysis are used.

1. Leadership

Both DPMC and NASPAA have well qualified and committed leaders. The leadership of both organizations has demonstrated an ability to manage multi-functional activities, to adapt to difficult conditions, to introduce innovation, and to relate effectively with other people and organizations in developing countries and the U.S. Both organizations have the unusual advantage of demonstrated leadership by every professional staff member. The higher workload and stronger R&D emphasis will impose difficult new demands on this leadership, but the prospects for meeting it are very good.

2. Doctrine

(Doctrine is defined as a set of precepts that guide action)

DPMC has a well-established, evolving doctrine that governs its work and contributes to the high regard missions have for its services. Some key precepts of DPMC include "action training," "project systems," "accelerated learning," "cost-effectiveness," "performance management," "targeting beneficiaries," and "sustainability." These ideas and approaches are documented in DPMC publications available on request. The PME evaluation is highly supportive of DPMC doctrine, but suggests the need for more systematic

and integrated articulation of it. The strengthened R&D agenda of the new project will provide an excellent opportunity for such articulation.

NASPAA has a developing doctrinal foundation that is moving nicely toward stronger precepts for action without losing its relationship to the concerns of public administration as a discipline and to the rigor of academic knowledge-building. NASPAA's expanded program in international development administration, supported by the AID cooperative agreement, is less than three years old. Hence, doctrine is still evolving. NASPAA's doctrine has been substantially strengthened by adoption and adaptation of ideas of Dr. David Korten (see especially his article, "The Management of Social Transformation," Public Administration Review, November/December, 1981). These ideas include "social learning process," "bureaucratic reorientation," "participation," and "people's economy." NASPAA is currently working to develop a set of precepts to inform its work in management training. Again, the new project will provide means to support the evolution of NASPAA doctrine through its R&D outputs.

3. Program

The substance of NASPAA and DPMC program responsibilities are defined in the project description and other sections of the project paper. Here we are concerned with management of the programs, and with the viability of arrangements for doing the work.

Joint "ownership" and collaborative management of the program and of field work are essential to achievement of the project purpose. In Washington this entails close collaboration among DPMC, NASPAA, the Training-of-Trainers Contractor and ST/MD, with guidance from Regional Bureaus and the project committee in setting objectives and priorities, defining outputs, selecting field sites, and implementing chosen courses of action. In the field, collaborative management involving the Mission and host country institutions is essential. The best test of such a complex system of relationships is whether it works. The established system does. Recent heavy investments of

time in evaluation of the predecessor project by regional bureau, PPC, and PM/MD have further broadened the Washington base of collaboration and guidance for the new project. For example, PM/MD plays a key role in dissemination of R&D findings and insights among AID personnel and in obtaining feedback from personnel in training courses as to practicality of various approaches to LDC and USAID management improvement.

The demands of program management on the implementing organizations are heavy because relationships are numerous and outputs are of several types. Applied field research, R&D, short term consulting, long term or recurrent consulting, institutional analysis, training design, delivery of training, networking, and dissemination (including materials in different languages) all require variety of knowledge and skills. So does sectoral work with differing technologies (e.g., irrigation, vaccination). These various requirements can only be met by retaining well-qualified and versatile staff in the implementing organizations and by judicious augmentation of core staff skills with consultants or contractors. Existing staff appears well qualified to handle these varying demands. The largest "growth" area in the new project is systematic R&D and it is in this area that problems might arise. Nevertheless, core staff experience with R&D management is substantial, and clearly sufficient to merit expectations that they can handle the expanded outputs of this project.

Program coordination among the implementing organizations and ST/MD as well as USAIDs and host country institutions will require continuing attention. See Linkages below.

4. Staff

Staff of the principal implementing organizations (excluding the training of trainers contractor to be selected) consists of six development administration professionals and three secretarial professionals. Among the former, four are holders of Ph.D. degrees, two are fluent in French and Spanish respectively, and all are well qualified in consulting, training, and analysis for development.

The staff utilization analysis in Section II above assumes that DPMC will have four centrally-funded DA professionals and one secretary over the life of the project, and that 30 person-months of the four (63%) will be centrally funded. That analysis further assumes that Regional Bureau and mission funding of DPMC services will provide core staff management, administrative support and backstopping staff to support the services requested. The fulfillment of this assumption is vital to the administrative feasibility of the project.

As noted in the PME evaluation report, the core staff of DPMC is already under heavy pressure to fulfill its multiple commitments. The various roles of the Center mentioned above and the unavoidable administrative and communication requirements that these roles entail impose a very large management load on the entire DPMC staff. The analysis shows that--assuming reasonable inputs by regional bureaus and missions--the problem is not so much money (though allocations from this project are lean), but time of the existing core staff and quality of any bureau or mission-funded staff additions. To handle growing workloads DPMC will have to (1) acquire new USDA or adjunct staff commensurate with workload imposed by programs funded by Regional Bureaus and missions, (2) reduce to the extent possible operational tasks such as execution of training, and (3) as a corollary to (2), increasingly assume a technical design and oversight role in relation to other organizations that implement regional bureau and mission-funded programs.

The most immediate threat to the continuity of DPMC staff is the extreme pressure on positions in the USDA Office of International Cooperation and Development (OICD) which houses DPMC in its Division for Technical Assistance. The positions for two key DA staff members of DPMC are temporary positions. The first appointment expires in December 1982 and the second expires in September 1983. These must be converted to permanent positions or an alternative means found to assure staff continuity. Unfortunately, OICD's staff allocations affect AID, including positions directly and indirectly supporting AFR, S&T/AGR, ST/MD, ST/N and other AID offices. Hence OICD position allocations which affect AID will have to be negotiated between USDA and AID taking these multiple requirements into account.

The PME Evaluation Committee agrees with the ST/MD position that retention of DPMC in USDA is the best implementation option. USDA has substantial advantages in its access to technical, university and external resources on a non-competive basis; its experience in international development work, and its excellent world-wide reputation. In addition, costs of implementation through USDA are substantially lower than most alternatives, and OICD/TA has made contributions to DPMC R&D work which complement AID inputs.

ST/MD will seek early resolution of the position allocation problem and space deficiency (see below) noted by the evaluation team. Until these matters are resolved, no obligations to the USDA PASA are planned. DPMC pipeline under the PME project will carry it into FY 1983. Early contingency planning has identified at least one potentially viable alternative to OICD for implementation of the new project.

The staff utilization analysis in Section II above assumes that NASPAA will have three centrally-funded DA professionals, one secretary and one program/research assistant, over the life of the project. NASPAA's workload, like that of DPMC, is rising rapidly and pressures on core staff are following the path already traveled by DPMC. While costs for core staff are greater in NASPAA, the organization will not encounter constraints on staff positions and space such as DPMC has.

Competitive proposals for the training-of-trainers contract will contain staff proposals which will be considered in awarding the contract. Hence, no analysis of that implementing mechanism is required.

5. Resources

An analysis of central funding required is contained in Section II above. USAID resources committed to the three implementing organizations (or others that may be funded by the project) will cover all funding requirements not provided in core funding.

Over the past five years DPMC has established a good library of technical materials on project design and management, management training and

organization development, and other management topics. Training materials that can be accessed through this facility include extensive project cycle materials from Jamaica, materials from the Sahel financial management program and materials used in AID and Practical Concepts, Inc. programs, among others. The collection includes materials for distribution to collaborating institutions.

NASPAA has a much smaller collection, but has access to a virtually unlimited knowledge base through the libraries of its more than 315 member institutions. NASPAA has Francophone materials developed by the University of Pittsburgh with NASPAA assistance, and has compiled an annotated bibliography of materials on social development management (related to the USAID/Philippines--David Korten work). NASPAA has also surveyed management films and methods for cross-cultural use of these on behalf of USAID/Jordan.

The major problem in resource availability is physical space for the Development Management Center. The evaluation team was very concerned about the inadequacy of space assigned to DPMC in the old Auditor's Building at 14th and Independence. For example, senior professionals have cubicles, not offices, noise levels are high, there is no conference room (technical materials are placed in a small cubicle that doubles as a conference space without walls), etc. While the DPMC staff has made the best of this bad situation, it is not compatible with a high-pressure operation demanding high staff efficiency. ST/MD will give high priority to negotiation of this issue with OICD.

6. Linkages

Linkages of the implementing organizations with ST/MD are well established and effective. Because USDA is a coordinate U.S. government agency and the NASPAA cooperative agreement represents support of a NASPAA program under joint management with AID, a substantial degree of initiative can be taken by both groups within agreed program boundaries. At times in the past ST/RAD (now ST/MD) staff shortages have caused delays in joint decision-making. This has been and will remain a problem during TDYs of ST/MD personnel involved

with the project. The problem has been ameliorated by rearrangement of ST/MD staff responsibilities and by a degree of additional delegation of authority and responsibility to DPMC. Expanded functions and relationships of the new project will continue to place pressure on these linkages given staff limitations of all parties. However, existing arrangements function adequately, cooperation is excellent, and no serious difficulties are foreseen.

Linkages of DPMC with its USDA hierarchy are also working well. The problems that have arisen are not due to OICD/Technical Assistance which has been most supportive; but rather to staff and space constraints imposed on OICD by USDA and OMB cutbacks.

Similarly, the NASPAA Cooperative Agreement has been solidly supported by the Agreement's Advisory Committee and by NASPAA's successive presidents. The Agreement has, as intended, substantially benefitted several NASPAA member institutions and staff of member institutions and has helped reinvigorate academic research on development administration.

Linkages among the implementing organizations are also working. Because there is some overlapping of subject matter coverage the evaluation committee recommended further analysis and delineation of the "comparative advantage" of each implementing group, but did not discern any danger in some overlapping responsibility.

Linkages with USAIDs, LDC institutions, and international development management resource centers were established under the predecessor project and will be expanded under Performance Management. As the number of such linkages increases, strengthening of existing communication and dissemination arrangements will require monitoring and allocation of additional resources. For example, a local university specialist in development administration could be contracted to support dissemination efforts.

7. Conclusion

The established administrative and implementation arrangements for the project are suitable and should be continued. Early resolution of means to

deal with USDA staffing constraints must be found, and amelioration of DPIC space constraints is needed to improve the efficiency of a staff that will continue to have a very high workload. Assuming timely resolution of these constraints, the prospects for a highly effective set of administration and implementation arrangements are excellent.

Annexes

Annex 1

HUMAN RESOURCES SECTOR COUNCIL

Minutes of Meeting April 19, 1982

REVIEW OF MANAGEMENT DEVELOPMENT FOR PROGRAM PERFORMANCE PID

Ken Kornher, S&T/MD, summarized the major elements of the Management Development for Program Performance PID. He pointed out that the Project provides for a six year project to continue core-funding of the USDA Development Project Management Center (DPMC) and a Cooperative Agreement with the National Association of Schools of Public Affairs and Administration (NASPAA). The new project will continue and redirect field service, applied research, and networking mechanisms established under the predecessor project, project management effectiveness. He pointed out that S&T funds under the new project will continue to provide the maintenance and management of the field service mechanisms. However, the fact that Missions have increasingly funded TDY's they request will permit the redirection of some S and T funds to networking functions and cost sharing for long-term field advisors. Zagorin then discussed the issues paper which was distributed at the meeting.

With regard to the desireability of starting a new project (issue 1), both Kline and Heyman asked why it wouldn't be easier to amend the ongoing Management Effectiveness Project rather than start a new activity. Smith stated that the new project represented a logical follow-on to the first phase and that as Kornher had explained, the project elements would reflect "lessons learned" from the first phase.

With regard to the project focus (issue 2 A), Smith stated that the results of the management effectiveness project evaluation would be incorporated into the new PP. Regarding the issue of the project focus and its major themes (issue 2 B), Lewis stated that it might be helpful (in addition to targeting themes) to identify specific Mission projects under which this project would provide assistance. Both Zagorin and French stated that the PID focus was not really diffuse since the four themes were interrelated and based on experience in the ongoing project. Zagorin stated that the themes really constituted a diagnostic framework through which to analyze management problems.

Regarding the issue of local and private sector institutions (issue 4 C), Zagorin stated that it is important that the project reflect the new private sector emphasis. Smith stated that the project could support public sector institutions which assist the private sector. Nicholson stated that since the project is structured to assist the Mission in the design and implementation of their projects, the type of assistance provided by this project would reflect Mission portfolios. Lewis stated that generally Missions would use this type of assistance for public sector projects and private firms for private sector projects. Zagorin stated that the PP should relfect that services under the project would be made available to private sector institutions as well. Steele stated that she was concerned that the project would only assist national level institutions. Kornher stated that services would reflect client needs and that if local institutions were being assisted

through A.I.D. projects that the services of this project would be made available to those institutions. He further stated that the institutional focus would vary by region.

Regarding linkages (issue 3), Lewis stated that the long and short term technical assistance objectives of the project should be used to supplement technical assistance provided in ongoing Mission projects. Kornher stated that many linkages with Mission projects had already been established and that types of linkages would vary by region and within regions.

Kornher agreed to incorporate the comments of the Council in the PP. Additionally, he will send a cable to field Missions summarizing the project and requesting their input. Zagorin suggested that he clear the cable with the technical committee. The Council agreed.

ATTENDANCE:

AFR/DR/ARD, Gloria Steele
AFR/EHR, Mary Ann Cusack
ASIA/TR/PHHR, Frank A. Mann
ASIA/TR/ARD, Richard L. Hughes
NE/TECH/SARD, John Lewis
NE/TECH/HRST, Barry Heyman
LAC/DR, Jim Smith
PPC/PDPR, Frank Method
TD/DSP, Linn Hammergren
S&T/ED, David Sprague
S&T/PO, Garland Standrod
S&T/RAD, Jerry French
S&T/RAD, Ken Kornher
S&T/RAD, Derick Brinkerhoff
S&T/HR, Doug Kline
S&T/HR, Norman Nicholson
S&T/HR, Ruth K. Zagorin

cc:
S&T, N. C. Brady
S&T, C. Farrar
S&T, L. Yaeger
S&T/EN, J. Vandermyn
S&T/FA, J. Robins
S&T/HP, J. Clinton

AID 1820-28 (1-72)

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 1982 to FY 1989
Total U.S. Funding $5.7 ST (Est. $15 million USAIDS & RBs)
Date Prepared: May 13, 1982

Project Title & Number: Performance Management (936-5317)

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Program or Sector Goal: The broader objective to which this project contributes: Collaborating LDC Organizations increase the Cost Effectiveness of their Development Program outputs (services, investment).	**Measures of Goal Achievement:** Increases in quantity, quality, timeliness of outputs and relevance to client needs. Beneficiaries influence and contribute to services. Waste, costs in relation to outputs, and corruption decrease. Discrepancy between plans and achievements decreases (time, performance).	Evaluation reports on projects, Action Research Evaluation, audits, reports and surveys by host country officials, AID, other agencies, researchers. Special case studies.	**Assumptions for achieving goal targets:** Host countries and donors are committed to Program and provide their inputs. Beneficiaries participate. Political and economic conditions permit program completion. Donor-assistance.
Project Purpose: Collaborating Organizations, Missions and Contractors use more Effective Management Technologies for Development Programs. (Technologies include analytic methods, implementation systems, financial systems, organization change and learning processes).	**Conditions that will indicate purpose has been achieved: End of project status.** Management improvement EOPS are reached in USAID projects supported by Performance Mangement project. 76 LDC organizations use adapted program management technologies 34 LDC organizations repeat unassisted use of program management technologies 4 LDC management support institutions revise training, consulting, and applied research directly serving goal level.	-- Same as above---- Field Research Activities will specifically test for these conditions and report on changes in them.	**Assumptions for achieving purpose:** Collaborators will accept changes. Stable conditions and moderate turnover. Shared values and motivation to sustain changes. Adequate financing, staffing and other inputs. Requisite leadership and participation of affected persons.
Outputs: 1. Knowledge consolidation and guidance produced. 2. Improved management technologies are developed, tested under LDC conditions. 3. Knowledge and methods are demonstrated and disseminated. 4. Management support organization in LDCs are assisted to use new technologies. 5. USAID-funded TDYs are provided. 6. Common Theme Networks functioning. 7. Trainers, Consultants & managers trained	**Magnitude of Outputs:** 1. 5 overview/guidance papers. 2. 6 papers on mgmt tech. innovations; papers on 8 3-yr. country assistance efforts. 3. 17 R&D workshops, 8 demos, pubs. sent to 20 LDC instit., 2 AV pkgs used in 12 locations. 4. 8 mgmt. support orgs. assisted, 4 change training, consulting, research strategy. 5. 120 TDYs provided. 6. 20 LDC instit. active in network exchange. 7. 1200 trained in LDCs or U.S. programs using project materials.	Implementing agencies and collaborators will be requested to report on each of the output measures. Audits and evaluations to validate reports.	**Assumptions for achieving outputs:** USAID's & collaborating organizations agree to Action Research, Networks and training involved in outputs. The quality and motivation of the implementing agent leadership & staff is adequate. The quality & stability of the AID/W & cooperator staff remains high. Project uses learning-mode & matrix management for internal application. Long-term effort & low turnover of key project staff.
Inputs: USAIDs & Reg. Bur's. $15 million (est.) Central funds 5.7 million 35.5 person yrs. of professional staff 22 person yrs. of support staff 13 person yrs. Consultant services 6 person yrs. Direct Hire (ST/MD)	**Implementation target (types & quantity):** RSSA Agreement NASPAA Contract USAID Link #1 Phillppines (ongoing) 2 Portugal (ongoing) 3 Thailand (ongoing) 4 Sahel (5 countries) 5 Morocco (ongoing; expanding Aug. 1982) 6 To be determined (Sri Lanka probable) 7 To be determined (Pakistan probable) 8 To be determined (LAC country preferred).	Progress reports, financial reports, contracts and agreements.	**Assumptions for providing inputs:** - Agreements by Reg. Bureaus & USAIDs on action research & joint financing. - Availability of contractors & cooperating agencies to initate tasks.

Annex 2

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Annex 3

Environmental Impact

This project deals with the provision of improved management technologies for development programs in order to increase their cost effectiveness. It provides a mix of field service and research outputs. As such, the project has no environmental impact and is within the class of action of categorical exclusion under AID Environmental Procedures as provided for in Section 216.2 (c)(2)(i) for programs involving education, technical assistance, or training.