

99226  
PD-ABQ-904

# **The USAID Strategic Framework**

**Draft: August 1995**

**Center for Development Information and Evaluation  
Bureau for Policy and Program Coordination**

## Foreword

A recent cable by USAID Administrator Brian Atwood on "revitalizing CDIE" called on the Center to design and then guide the actual implementation of a "comprehensible and simple" system to measure Agency-level results, one which would complement the performance measurement systems already in place in the operating units<sup>1</sup>

To assist in this mandate, CDIE Director Janet Ballantyne requested Annette Binnendijk, CDIE's Senior Evaluation Advisor, to form an internal CDIE working group to propose a design for such an Agency system, building on previous efforts such as draft Agency results frameworks, indicator workshops, prototypes for automated results tracking systems, etc. The working group consisted of Annette Binnendijk, Graham Kerr, Robert Baker, Anne Inserra, and Carolyn Barnes. A detailed draft proposal for an Agency Strategic Framework was prepared in May 1995 and revised in early June, based on comments from Scott Smith, Marcia Bernbaum, Sharon Benoliel and others.

A shorter paper and oral briefing materials were also prepared which highlighted key elements of the proposed Framework. During July and August a series of meetings were held throughout the Agency -- with the regional and central bureaus, and with senior management -- to present the Strategic Framework and to gain consensus and feedback on the proposed approach. By the end of August, key elements of the proposed Agency Strategic Framework had been thoroughly vetted and approved.

This report presents the design for the USAID Strategic Framework. It is based on the discussions of the CDIE Working Group and feedback from participants of the review and vetting process. The report addresses design questions such as -- What is the USAID Strategic Framework? How will it be used? What are its components? What is its substantive contents? How will performance be measured, analyzed, and reported? How will the strategic plans of the operating units will be linked to it? and other issues.

---

<sup>1</sup> See UNCLAS STATE 057992 dated 03/20/95, on "Revitalization of CDIE"

# USAID'S STRATEGIC FRAMEWORK

## Executive Summary

### What is it?

USAID's Strategic Framework is the hierarchy of the Agency's mission, goals, objectives, and program strategies taken from the Agency's strategic plan (currently the *Strategies for Sustainable Development* and the *Implementation Guidelines*). It not only summarizes Agency policy but also reflects the results being sought by Missions and offices (operating units). The Framework is one of the tools the Agency uses to manage for results. It is a conceptual diagram which illustrates the causal links between

- 1 the Agency's mission and the national interests which USAID serves by fostering sustainable development,
- 2 the Agency goals and objectives and the Agency mission
- 3 the objectives which the operating units pursue to contribute to the achievement of the Agency objectives, goals and mission

### How can it be used?

The Framework is a tool which can be used

- 1 To **communicate** the essence of the Agency's strategic plan,
- 2 To **focus operating unit strategic plans** on Agency priorities,
- 3 To **contribute to management decisions**, and
- 4 To **analyze and report results** of Agency programs for internal and OMB reviews, Congress, and the annual report required by the Government Performance and Results Act (GPRA)

The Framework's strength comes from its simplicity, but it has its limitations. Additional tools are needed to analyze cross-cutting concerns, such as integration, sustainability, and participation.

## Components of the Framework

Key levels of the Framework are

- \* *U.S. national interests* -- considered in identifying recipients of foreign assistance
- The *Agency mission* -- USAID's unique contribution to those national interests
- The *Agency goals* -- the long-term sector goals which support the mission
- The *Agency objectives* -- significant development objectives that contribute to Agency goals
- The *Agency program approaches* -- the program strategies that operating units use to achieve results which contribute to the Agency objectives

## Performance Indicators

Performance indicators are dimensions of goals or objectives which are measured to assess progress being made towards the goal or objective. Baselines and targets are the values of performance indicators at the beginning and end of the planning period.

*Agency mission* There are no distinct performance indicators at this level. Success in reaching the Agency's mission is determined by examining performance for each of the Agency goals.

*Agency goals* Indicators of goal achievement are changes in country characteristics. Goals are long-term (10+ years) objectives. Changes in their indicators may be slow and only partially caused by USAID programs. The targets established for the goal indicators are the "threshold" values which show that USAID assistance may no longer be needed in a sector.

*Agency objectives* Agency objectives are medium term (5-8 years) and their indicators are also country characteristics. Measurable change in their indicators may take several years. Changes in these indicators are more directly related to USAID programs than changes in goal indicators.

*Agency program approaches* The Agency's program approaches do not have required indicators. Their indicators are derived from the indicators being used by operating units for their strategic objectives. Within each approach we will assess the effectiveness of the strategies by analyzing the performance indicators for the strategic objectives and intermediate results of the operating units.

## Analysis and Reporting

Analysis and reporting on USAID's progress will draw on various data sources and methods.

*Agency mission and goals* At this level we will examine and report on global, regional, and national trends in key indicators taken, primarily, from existing international databases of development indicators.

*Agency objectives* Here we ask: What progress are the countries where we are working making towards achieving key objectives in each sector? How does their progress compare with countries not receiving our assistance? How do trends at this level compare with trends at the goal level? Are there management or technical issues that require further analysis? Data will be drawn primarily from international databases.

*Agency program approaches* Here we can examine the approaches and expected and actual results from operating units using the same program strategy. Within each group we can examine performance by analyzing the changes in the indicator values of the strategic objectives and intermediate results and reviewing the narrative explanations in annual performance reports. Performance data on strategic objectives and intermediate results for all USAID assisted countries will soon be available on the automated, agency-wide, performance tracking system.

Results can be "rolled up" from operating units in various ways to provide a more complete picture of the Agency's results and their significance. For example, we can aggregate results across countries and look at regional trends when operating units

have the same objectives and indicators We can report and compare progress being made within a group of units pursuing the same strategy We can compare the progress of units using different strategies to reach the same Agency objective -- interpreting the results with caution We can assess Agency contributions to changes in country conditions by comparing trends in country level indicators with trends in strategic objective and result indicators We can identify successes and failures to provide a basis for further investigation This performance information will help guide management decisions

## **Performance Measurement and Evaluation**

Both performance measurement and evaluation are required to ensure that Agency resources are deployed most effectively towards Agency goals and mission They are distinct, but complementary, ways of obtaining information for decisions

Managers use **performance measurement** to track their results The core of the system is a clearly defined hierarchy of objectives, which is derived from development theory and practical experience A limited set of performance indicators for each objective is measured to assess progress towards that objective Performance measurement answers questions about "**whether and if**" results are being achieved on schedule

**Evaluation** can answer managers' questions about "**how and why**" results are, or are not, being achieved They can examine both intended and unintended results and more complex issues such as sustainability They enable us to go far beyond performance measurement to examine and describe the fuller impacts of our activities Performance measures are useful in evaluation but they provide only a small portion of the information required for impact assessment and management decisions Evaluations provide specific management recommendations for improvements

To analyze and report our results we need both systems Soon USAID will have a broad base of performance data regarding all its programs We can use this information to plan our evaluations more strategically -- which in turn will improve our performance measures Both systems are essential for managing for results

# The USAID Strategic Framework

USAID's leadership urgently needs a system for measuring, monitoring and reporting to Congress on Agency-level results for key development objectives. The system should be simple and straightforward -- capable of comparing and aggregating results across countries in which USAID operates. It should also be useful to senior management as a tool for making strategic decisions about programs, based on performance and achievement of results. Moreover, it should build upon the strategic plans of the operating units by linking their strategic objectives to broader Agency-level goals and objectives.

This paper describes such a system, called the Agency Strategic Framework, and responds to a number of key design questions such as

- What it is
- How it will be used
- Its components (structure)
- Its contents (objective statements)
- How the operating units' strategic plans will be linked to the Framework

- How performance will be measured (indicators, targets, data sources)
- How results will be analyzed and reported
- How costs might be linked to results
- How evaluation complements performance monitoring data
- How the Agency Strategic Framework responds to GPRA requirements

## What Is the Agency Strategic Framework?

The Agency Strategic Framework is a simple, explicit schematic of USAID's mission of sustainable development and the Agency goals, objectives and program approaches that contribute to it. The Framework is based on the Agency's broad policy and strategy statements as outlined in *Strategies for Sustainable Development* and the related *Implementation Guidelines*, translating this narrative into precise objective statements and quantitative measures for assessing change. It also reflects the results being sought by Missions and offices

(operating units) It is a conceptual diagram which illustrates the causal links between

- The Agency's mission of sustainable development and the U S national interests it fosters
- Agency sectoral goals and objectives and the Agency's overall mission, and
- Operating units' strategic objectives and the Agency goals and objectives

The Agency Strategic Framework and associated indicators provide a frame of reference for assessing whether the broad sustainable development changes that USAID wants to see are occurring or not in key strategic areas of concern, such as broad-based economic growth, protecting the environment, building democracies, stabilizing the World's population and protecting human health. It also will monitor the Agency's performance in saving lives and reducing suffering in emergency situations. The Framework presents the essence of the Agency's policy in graphic form, with clear and easy-to-understand statements of objectives.

It is called USAID's Strategic Framework rather than Agency Results Framework for several reasons. First, using the term "results" might be misleading, since many of the outcomes embodied in the Framework are not the direct

results of the Agency's activities, but rather are changes and trends USAID would like to see in developing country conditions. In other words, USAID contributes to these changes but does not directly cause them to occur. Also, we wanted to avoid confusion with "results frameworks", the term used to describe the hierarchy of objectives in operating units' strategic plans.

### **How Will the Framework Be Used?**

The USAID Strategic Framework is a management tool that can be used

**(1) To communicate the essence of USAID's strategic plan --** by clearly articulating Agency-level goals, objectives, and program strategies

**(2) To focus the operating units' strategic plans --** to ensure their strategic objectives and intermediate results are explicitly related to Agencywide priorities

**(3) To monitor, analyze and report results of Agency programs --** for internal and external performance reviews and reporting requirements. For example, the annual USAID program performance report, GPRA reporting, Congressional Presentations and testimony, OMB Spring Reviews, etc.

**(4) To contribute to strategic management decisions --** on

program directions and resource allocations by providing relevant information on program performance and results achieved

## Components of the Framework

The Agency Strategic Framework consists of several levels of objectives arranged hierarchically, so that lower level objectives are logically linked to higher levels in cause-and-effect (or chain-of-evidence) relationships. Lower level objectives tend to be medium-term and more directly related to USAID activities, whereas higher level objectives are long range and further removed.

Components of the Framework, from highest to lowest are

- # *U.S. national interests* - - considered in identifying recipients of foreign assistance
- The *Agency mission* -- USAID's unique contribution to those national interests and the ultimate purpose of the Agency's programs
- The *Agency goals* -- the long-term sectoral goals which contribute to USAID's mission
- The *Agency objectives* -- significant development objectives that contribute to the achievement of Agency

goals. Typically, several Agency objectives contribute to each Agency goal.

- The *Agency program approaches* -- the specific program strategies or intervention approaches that operating units use to achieve results that contribute to an Agency objective. Several program approaches typically contribute to each Agency objective.

Figures 1 and 2 depict the components (hierarchical levels) of the Agency Strategic Framework.

A number of issues regarding the Framework's structure are discussed below.

### How many levels of objectives should the Framework have?

One key issue is how many levels of objectives are necessary and sufficient for analyzing Agency performance? Is the lowest level of objective (i.e. Agency program approaches) necessary or in the interests of "keeping it simple"?

On the one hand, several reasons can be raised for not including the lowest level. Too many levels of objectives, each with one or more indicators, might defeat the purpose of the Framework as a simple management and reporting tool for senior managers. While there is only one Agency mission, five

Agency goals and eighteen Agency objectives, there are well over 70 program approaches. Thus, at this lowest level, things get pretty diverse and complex. Policy guidance in *Strategies for Sustainable Development* regarding what the objectives might be at this level are less clear-cut than at higher levels. Also, identifying cross-country comparable indicators to measure progress for Agency program approaches are more difficult than at the Agency objective and goal levels.

On the other hand, there are several arguments in favor of adding the lowest level -- program approaches. Achieving development is a long term business, and many of the results at the Agency objective level, are relatively medium- to long-term and would not show "progress" annually. For example, infant mortality rate indicators for an Agency objective of reducing child mortality might not show change but every five years or so. USAID's leadership has a need to be able to show some evidence of results in the shorter-term. For example, as might be done by annually monitoring changes in child immunization rates for a USAID-supported vaccination program. Also, results at a program approach level would be more self-evidently attributable to USAID programs and therefore desirable to monitor and report on.

Furthermore, even if it

were decided that, for simplicity, reporting on progress for USAID senior leadership and for external audiences (e.g. for Congress, GPRA, etc.) would consist only of reporting down to the Agency objective level, it still might be very useful for internal management purposes to monitor the shorter-term, program-level results. For example, for comparing the relative effectiveness of alternative program approaches or strategies for achieving a given Agency objective.

Ultimately, it was decided that the Framework should include all of the proposed levels of objectives -- U.S. national interests, Agency mission, goals, objectives and program approaches. However, standard or cross-country indicators would only be identified for Agency goals and objectives. While performance and results of Agency program approaches would also be measured, analyzed and reported, comparability would necessarily be limited.

**What should the lowest level be called?**

Another question raised was what the lowest level of objective of the Framework should be called. Options discussed included strategies, program strategies, program objectives, program approaches, sub-objectives, supporting objectives, strategy outcomes, strategy results, and others. While "strategies" or "program strategies" was initially

avored, during the review process several concerns were raised. For example, the term strategies might be confused with its broader usage in the *Strategies for Sustainable Development* Paper. Also, strategies implied too much central direction, and might be misinterpreted as limiting Missions' options. Yet another concern was that strategies might be associated too much with means rather than with results. In the end, the term program approaches was selected.

**What is "above" the Agency mission level? Should we address national security goals?**

A level of objective "above" the Agency mission level gives the key U S national interests towards which the Agency contributes (See figure 1). However, there will be no attempt to develop indicators or measure progress towards national foreign policy/security interests.

**Should there be regional- and/or global-level objectives?**

On the question of regional objectives, it was decided the Framework should not be complicated by adding another level to accommodate region-specific objectives<sup>1</sup>. However, the country-level indicators and data used to monitor trends towards Agencywide objectives can easily be analyzed on a region-specific basis, if

desired, simply by grouping or aggregating country-level results by region.

Similarly, we considered whether global-level objectives might be needed, for example to handle "global" objectives such as reducing the threat of global climate change, or stabilizing world population. However, given the vast majority of Agency efforts are country-specific rather than global in nature, we did not see the need to add another level to the Framework, in the interests of keeping it as simple as possible. Country-level data can be aggregated to the global level in cases where the Agency is interested in global results, for example, by summarizing trends in world population growth from the country-specific trends.

**Should the Framework include cross-cutting issues?**

To keep the Framework simple and comprehensible, it does not explicitly accommodate cross-cutting concerns such as participation, sustainability or integration. Other tools are needed to analyze them.

## **Contents of the Framework**

Articulating objective statements and gaining consensus for the higher levels of the Framework were relatively easier than for the lower levels. The Agency mission, Agency goals and to some extent Agency objectives were fairly easily drawn from

the *Strategies for Sustainable Development* Clarifying and gaining agreement on Agency objectives and program approaches for each of the five goal areas (referred to as the sectoral frameworks) was accomplished through a participatory process involving a series of sectoral working group meetings and workshops coordinated by CDIE The objective statements agreed upon in this collaborative process are presented below and in Figures 3 - 9<sup>2</sup>

#### **National foreign policy interests**

By promoting sustainable development, USAID contributes to four U S national interests<sup>3</sup>

- *U S economic security promoted*
- *U S protected against specific global dangers*
- *Prospects for peace and prosperity enhanced*
- *Humanitarian and other complex crises prevented*

#### **Agency mission**

It is clear from *Strategies for Sustainable Development* --

- *USAID's mission is fostering sustainable development*<sup>4</sup>

#### **Agency goals**

There are five Agency

goals Four relate to broad sectoral areas that are considered fundamental to achieving sustainable development, while the fifth relates to humanitarian and post-crisis transition aid<sup>5</sup> Stated as results, the five Agency goals are

- *Broad-based economic growth achieved*
- *Sustainable democracies built*
- *World's population stabilized and human health protected in a sustainable fashion*
- *Environment managed for long-term sustainability*
- *Lives saved, suffering reduced, and development potential reinforced*

Figure 3 graphically depicts the U S national interests, the Agency mission, and Agency goals

#### **Agency objectives and program approaches**

Each Agency goal is comprised of several (3-5) Agency objectives They are presented in Figure 4

Similarly, each Agency objective typically has several (3-7) program approaches which the operating units may follow to achieve an Agency objective They are described in the five sectoral frameworks (one for each Agency goal), see Figures 5 - 9

The participatory process for determining the contents of the five sectoral frameworks (i.e. statements of Agency objectives and program approaches under each of the five Agency goals) took place over several months and were just recently finalized (end of August 1995). The sectoral working groups had access to a number of materials prepared by CDIE to consider in their efforts, in addition to the USAID *Strategies for Sustainable Development* and the *Implementation Guidelines*. These included the "1995 Draft Results Framework" and the earlier 1993 "PRISM Analytical Frameworks" (based on grouping or "clustering" actual Mission strategic objectives, before there was central policy guidance). The working groups were asked to follow the criteria and guidelines outlined below in deciding on the objective statements for their sectoral frameworks. The sector working groups were comprised of sectoral experts from within CDIE, PPC (sectoral advisors), the Global centers, regional bureaus, etc.

While the sectoral frameworks have been "finalized" for now, a process for revisiting them periodically (perhaps bi-annually or annually) will be established, so that they can be improved and updated as we learn more and as Agency policies and strategies are revised.

Below are criteria and other guidelines developed for

the sectoral working groups to refer to when finalizing their sectoral frameworks and objective statements.

**What criteria should be followed for deciding on the Framework's contents?**

The following criteria should be considered in selecting and stating objectives for the framework. To the extent possible, the objectives should be

- precise and simple statements -- that the Agency's stakeholders and customers will understand and support
- statements of results, not means or actions
- objective and measurable
- unidimensional
- logically consistent among levels (reflect cause-effect linkages)
- based on the Agency's policy papers, *Strategies for Sustainable Development* and the *Implementation Guidelines*
- reflective of actual strategic objectives and program results of the operating units

It may not always be possible to satisfy all of these criteria, and they should therefore be treated more as guiding principles than rigid criteria. There may be tradeoffs among some of

these criteria For example, "political" criteria (e g what results the Agency leadership wants to emphasize) may conflict with "technical" criteria (e g logically consistent, unidimensional, etc ) The over-riding concern should be to make the Framework and its statements of objectives simple, clear and precise, and something that the Agency's leadership will identify with, embrace as their own, and find useful for making strategic programming decisions and for reporting on results to Congress and the public

Should all levels of objectives follow these same criteria?

For example, should all of the objective statements be stated as if they were results or outcomes? We believed they should be, if possible Also, the statements at the two highest levels, Agency mission and Agency goals, should be phrased as simply as possible and as close as possible to the phrases used in the *Strategies for Sustainable Development* (e g in the chapter headings) This would help avoid protracted discussions and innumerable alternative versions of goal statements

Similarly, should Agency goals and objectives always be unidimensional? Clearly, one of the goals, as stated in *Strategies for sustainable Development* is not unidimensional i e "Stabilizing world population

and protecting human health " It may not be possible or desirable to change this to satisfy the criteria Other of the Agency goals, although perhaps more subtly, also have multiple dimensions For example, "Encouraging broad-based economic growth" has a growth and a distribution dimension

To the extent possible, these criteria were to be applied in the process of determining the contents of the Framework's objective statements

How "top down" versus "bottom up" should the Framework be?

To what extent should the substantive contents of the Framework reflect Agency objectives and programs as recommended in the *Strategies for Sustainable Development* Paper, versus emerge from a review of commonly sought objectives and frequently used program approaches among the Missions? For example, what if there is a conflict between new policy direction and what Missions have been doing?

The Framework should definitely be based upon the Agency's new policy guidance, but it should also be reflective of what Missions are actually pursuing, to the extent they're compatible Discrepancies should be flagged In general, it should be relatively easy to identify Agency goals and objectives from the policy guidance, whereas Agency program approaches may be more

dependent on an analysis of what Missions are doing

**How comprehensive should the Framework be?**

A related issue regarding contents of the Framework is how "comprehensive" it should be of all possible Agency objectives and program approaches (both as stated in the broader policy statements and as reflected in what USAID Missions are actually doing), versus "keeping it simple" and including just "core" objectives. For example, if an Agency objective or program approach is only infrequently pursued by Missions, need it be included in the Framework? What if it is a new objective emphasized in the *Strategies for Sustainable Development* Paper, but as yet no or few Missions are pursuing it? Conversely, what if many Missions share an objective, but it is not mentioned in the *Strategies* guidance?

These issues are mostly be a concern at the program approach level. In general, the following criteria might be applied in deciding whether or not to include a program approach

- Include it if it is explicitly mentioned in the *Strategies for Sustainable Development* or *Implementation* papers
- Exclude it if it is explicitly prohibited or discouraged in the guidance

- Include it if it is a core program approach frequently followed by Missions and if it is not explicitly prohibited by the guidance
- Exclude it if it is not mentioned in the guidance and if only a few Missions are following the strategy

Some have suggested that the Framework should not only include USAID objectives and programs, but also should address the full range of development activities being pursued by development partners. This would broaden and complicate the Framework considerably, and the Working Group advised against this.

### **Linking Strategic Plans of Operating Units to the Agency Strategic Framework**

One of the most crucial, yet tricky, aspects of designing an Agency-level system for measuring progress across countries and programs is how to integrate or link the existing strategic plans of the operating units, each with their own uniquely stated objectives, to the broader Agency Framework.

Currently, there are hundreds of uniquely stated Mission-level strategic objectives. Even when the underlying activities and their purposes are essentially the same that of other

Missions, they often are stated differently. One key advantage of an Agencywide Framework is that it has the potential for bringing some order to this diversity. However, how can this be accomplished without it becoming a "straight-jacket" forcing Missions to accept inappropriate objectives given their country conditions?

In developing the Agency Strategic Framework, certain principles were followed. It should be built on and complement existing Mission-level strategic plans and performance measurement systems, continue to support managing-for-results at the Mission-level, and allow flexibility when necessary to reflect country-specific conditions and needs. Furthermore, the system should be helpful to Missions by assisting them to select among objectives that are Agency priorities, to develop more logical strategic plans, and to choose more appropriate and comparable indicators.

Guidance should be developed, preferably via an automated, interactive, menu-driven program, that assists operating units in the selection from the Agency Strategic Framework, those Agency goals, objectives, and program approaches that most closely "fit" their own strategic objectives and intermediate results. This could be built into the IRM's automated results tracking (performance monitoring and reporting) system now being developed.

For example, a Mission would begin by choosing from among the Framework's five Agency goals those they were pursuing. If they selected "environment managed for long-term sustainability" for example, they would then be asked to select from among a number of Agency environmental objectives (e.g. decreased urban and industrial pollution, increased provision of environmentally sound energy services, biological diversity conserved, etc.) those that matched their Mission's own environmental objective. Once the Agency objective was selected, the Mission would once again be asked to select from among the list of relevant Agency program approaches those they were supporting. For example, if the Mission selected the Agency objective of "biological diversity conserved", they would then be asked to select from a relevant menu of lower-level program approaches (e.g. improved management of protected areas, promoting sustainable use of biological resources, or supporting ex-situ conservation of genetic diversity).

In this way, Missions would, in effect, be asked to "hook into" the broader Agency Framework. If a Mission's own objectives did not fit logically into the hierarchy of the Agency Framework, the system should allow them the flexibility to use and report on their own unique objectives. Especially at the Agency program approach level, where there is likely to be

alot of diversity, flexibility to go beyond the Framework and add Mission-specific strategies will be important <sup>6</sup>

A related, troubling aspect of how to best merge existing Mission strategic plans into an Agencywide system, is how to handle the issue of what's in their "manageable interest " Currently, Missions define strategic objectives as what's within their manageable interest (i e what the Mission is willing to be held accountable for achieving) Different Missions, because of different conditions (e g levels of resources, severity of problems to be overcome, other donors' involvement, etc ), may reasonably claim that their "manageable interest" to achieve results are at different objective levels of the Agency Framework, even if they share a similar program approach For example, while one Mission with a family planning program may feel achieving an increase in contraceptive prevalence is within its "manageable interest", another Mission with a similar program might aim much higher, claiming reduced fertility rates as its strategic objective A simple way of dealing with this problem would be to ask Missions, when working down the Framework's levels of objectives, to simply "flag" the level it believes to be within its own manageable interest <sup>7</sup>

Figures 10 and 11 show the link between the Agency

Strategic Framework and the operating units' results frameworks

## Selecting Performance Indicators

A main purpose of creating the Agency Strategic Framework is to enable USAID to measure, monitor, analyze, and report on results Worldwide for key Agency goals and objectives To create a system capable of comparing and aggregating results across countries in which USAID operates, one logical approach is to develop indicators with standard definitions (to be used comparatively across countries) for each objective wherever possible But are such indicators appropriate for every level of objective of the Framework? Probably not We will not identify indicators for U S national interests nor for the Agency mission Also, at the lowest level -- of program approaches -- use of standard, cross-country comparable indicators may in many cases not be possible or desirable, as discussed below

Identifying indicators to monitor results at various levels of the Framework is currently in progress CDIE has co-sponsored a series of "Indicator Workshops" in key Agency goal areas, including the environment, democracy, broad-based economic growth, and humanitarian assistance As a starting point for these workshops, CDIE prepared background materials,

including compilations of relevant indicators used by Missions, listings of "candidate" indicators for consideration, and information on existing international databases with standard indicators and data sources. Criteria for appropriately selecting indicators were also discussed (see section below).

Indicator development for the Agency goals and objectives is scheduled to be completed by the end of September 1995. While identifying indicators for Agency program approaches has already begun, reaching consensus and closure will take more time.

#### **Which levels of objectives should have indicators?**

The paragraphs below summarize which levels of the Framework should have indicators and why.

#### **U.S. national interests, Agency mission and goals**

At the highest levels of the Framework, U.S. national interests, the Agency mission and Agency goal levels, finding and using appropriate indicators to measure progress may face severe constraints. First of all, because of their long term nature, the timeframe for seeing some "movement" or progress might be very slow indeed (i.e. measured in decades), and thus would not be of much interest to senior managers and Congress who want to see results in the short- or medium-term (e.g. annually or

at least every few years). Secondly, there are problems of multidimensionality. For example, the Agency mission of sustainable development is not unidimensional. Similarly, many of the Agency goals appear to have more than one dimension. In such cases, it might be possible to develop or find appropriate "composite indexes", comprised of several key indicators from lower-level objectives. For example, the "Freedom House Index" might be used to gauge progress towards the goal of building democracy. Alternatively, selecting a few indicators to represent different aspects of an Agency goal might work. For example, using life expectancy and population growth rates might satisfactorily represent the goal of stabilizing population growth and protecting human health.

Despite these difficulties, the search for finding a few appropriate, cross-country comparable indicators to track progress for each Agency goal is considered desirable and is underway. USAID leadership should find it very useful to be able to show trends towards five key goals (i.e. it would be much simpler than dealing with some 18 Agency objectives).

We recommend identifying indicators for the Agency goals, but not for the Agency mission nor for national interests.

## Agency objectives

Indicators for the Agency objective level are important for several reasons. They are relatively easy to measure (often with already existing, commonly accepted standard indicators), often unidimensional, and frequently available from existing international databases. They typically will show "change" every few years. On the other hand, they are more likely to represent primarily country development trends that can only indirectly be associated with USAID programs, rather than more direct, self-evident measures of program impacts.

## Agency program approaches

At the lowest level, of program approaches, one runs into the possible constraint that they may be less "results or outcomes" than "actions or means" and they may be difficult to measure or quantify. Internationally comparable indicators are less likely to already exist at this level, nor will data be readily available from international sources. Also, the "uniqueness" of USAID programs and country settings makes the possibilities for finding appropriate, cross-country comparable indicators very limited. Finally, if indicators are required at this level, the total number of indicators being monitored would become quite high (The number of program approaches having over 70, with each having one or more indicators).

On the other hand, if indicators of results could be devised at this level, chances are they will "move" faster (i.e. show progress in a relatively short time span, maybe annually), which would be very desirable. Also, if we're interested in getting at Agency-attribution, or results that are more closely linked with our program efforts, then monitoring indicators at the program approach level is important. Missions would need to track these.

Over the next year, efforts will be made to identify indicators for suggested use by operating units at the program approach level, where possible and appropriate. Some program approaches may lend themselves more easily to identifying cross-country comparable indicators than others. However, indicators at this level will be treated differently and more cautiously than those at the higher levels of the Framework. Rather than being "required" as at higher levels, indicators for program approaches should be "suggested" only, and be based as much as possible on what Missions have found useful and feasible to collect. Whereas an effort should be made to share experience and encourage use of common indicators for similar program strategies in similar settings, it should be recognized that diversity of activities, approaches and country conditions may dictate against routine use of common indicators at this level.

See Figure 12 for a summary of the proposed treatment of indicators for each level of the Framework

**What criteria should be followed in selecting indicators?**

General criteria for selecting indicators to measure country progress towards the objectives outlined in the Framework are that they should be

- a direct measure of the objective
- unidimensional
- quantifiable, measurable and comparable across countries, to the extent possible
- high quality -- valid, accurate, reliable, verifiable, and measured regularly (at reasonable, agreed-upon intervals)
- value neutral (i e not indicate direction such as "increase or decrease")
- disaggregated, as appropriate (e g by sex, ethnic group)
- numbers adequate but not excessive (generally limited to 1 -3 indicators per objective)
- practical -- feasible and low-cost to collect At the higher levels e g Agency goals and objectives, availability of data from existing

international sources is a key factor At the lower program approach level, which is "closer" to USAID programs, data sources for indicators are more likely to have to be generated by the USAID Missions or host country sources

Individual indicators may not be able to satisfy all these criteria Tradeoffs obviously exist among some of the criteria (e g between quality and practicality) and thus selection of indicators must weigh the advantages and disadvantages of each possibility

The criteria may also not apply equally well to all levels of objectives For example, as already discussed, finding quantitative and cross-country comparable indicators for the program approach level may be difficult or impossible in many cases

**How Missions might be assisted with indicator "menus"**

For years now, Missions have looked to USAID/Washington, especially to CDIE, Global, and Regional Bureau specialists, to help them identify appropriate indicators for measuring achievement of objectives in their strategic plans, and to assist them in setting appropriate targets, find data sources, etc The Agency Strategic Framework and its associated indicators can help Missions further in this regard

Especially if an automated, interactive, menu-driven system is developed to assist Missions in selecting among Agency goals, objectives, and program approaches (as has been suggested above), it would be relatively easy to add on, for each specific objective, "menus" of appropriate indicators, along with their definitions, rationales, typical data collection sources and techniques, frequency of collection, and possibly even internal/external benchmarks of performance (targets)

For example, suppose a Mission has matched its strategic objective with the Agency objective of "sustainable reduction in child mortality". A menu system might suggest indicators that are commonly used and comparable across countries, such as infant mortality rate, and child (under 5) mortality rate. Detailed definitions and other guidance/information on these indicators would also be part of the program. At the next level, if for example the Mission selected "increasing the use of high quality, sustainable services" as their program approach, the menu might suggest indicators such as percent of diarrhea cases in children treated with oral rehydration salts, percent of population with regular access to child survival services, percent of children immunized, etc

The purposes of this "indicator" menu-system could

be two-fold. The primary purpose would be to help Missions come up with good indicators to monitor the performance of their programs vis-a-vis their objectives. Such a list would be suggestive, and would reflect those indicators other Missions with similar objectives and program approaches have found useful and practical. Missions would of course always have the option of using their own, uniquely-defined indicators that they find useful for internal management purposes.

However, a second purpose also could be built into this indicator menu-system, which would "require" that data be gathered and reported for a small number (e.g. one or two) of standard indicators for each Agency goal and each Agency objective. The "required" indicators would be a small sub-set of the "suggested" menu-list, and would be limited to those determined to be useful at the Agency level to monitor and compare results across countries, report Agencywide progress, etc. Actual values for these "required" indicators would in many cases be provided from international data sources, if they exist, and entered into the automated menu-system. But the system could also allow Missions to review the data for their country and provide better, more up-to-date, or missing data.

For some objectives, especially in newer sectoral areas, and at the lowest

program approach level, the state-of-the-art may be such that indicators cannot be "required" or even "suggested" In these cases, it may still be possible to simply share information on what indicators other Missions have been commonly using, giving whatever pros and cons can be found In some cases, the menu-system may simply have to state "suggested indicators not available" until such time they can be developed

## Data Collection

### Sources and frequency of data collection

At the Agency goals and objectives levels, primary reliance will be placed on using existing international database sources<sup>9</sup> CDIE/ESDS (with assistance from the Global Centers, BHR, etc ) will take primary responsibility for reporting data on these required, standard indicators Missions and other relevant operating units will be given the option to review and suggest revisions to CDIE in the data from these international sources (but with CDIE the final arbiter to ensure comparability) Missions might also be called upon to fill in data gaps or provide data for indicators at these higher levels for which there are no international sources Some care will be required to avoid a process that's long and drawn out

It should be recognized that the frequency of data collection at these higher levels will typically be only every few years, both because of costs and also because progress is usually only evident every few years To the extent possible, however, efforts should be made to include indicators and data that reveal some change or progress every year, perhaps by relying on a number of indicators, any one of which may show change on alternate years, or by using "faster moving" indicators where possible

Another possible data source that deserves serious consideration would be USAID centrally-sponsored, multi-country surveys in specific Agency goal or objective areas, as has been done successfully in the demographic/health field While costly, it may be the best solution for gathering high-quality, cross-country comparable results data in key areas where little data now exists and where USAID plans substantial investments, e g for the environment and democracy areas

To the extent that common indicators for the Agency program approach level can be identified, they will most likely not be available from international data sources (because they are usually specific to USAID programs) Thus, unless USAID centrally-sponsored surveys are planned, Missions would probably have to be the source of this data Frequency should typically be

annual at this level, so that some "fast moving" results will be available, both for demonstrating results to external audiences and for making internal programming decisions

#### Country coverage

For which countries should data be collected and reported for the Framework? What are USAID Mission responsibilities?

For higher level Agency goals and objectives, where data is usually available for most countries from automated international sources, it may be useful to download and analyze data from all developing countries, so that progress of various groupings of countries can be made regardless of whether there is a USAID program. For example, development trends and progress might be assessed and compared for countries receiving and not receiving USAID assistance in a particular program area, for countries at different stages of development, for specific regions, etc

However, only those USAID Missions that have a strategic objective directly linked to an Agency objective and goal will be asked to review and fill in gaps in international data sources for the relevant "required" Agency goal and objective indicators

Furthermore, only the relatively small group of Missions who are sharing a common program approach would

be asked to gather, analyze and report results data for that approach. Indicators would be "suggested" not "required" at this level, recognizing that cross-country comparable indicators may not be appropriate for all Missions sharing a program approach, given the diversity of activities, and uniqueness of country conditions

Another issue is whether all countries in which USAID works should be reporting to the Agency Framework, or only some, such as the "sustainable development" countries. Since the Agency Framework is structured around the overarching Agency mission of "sustainable development," a case might be made for limiting data collection and reporting only for those Missions in "sustainable development" countries. On the other hand, many of the Agency's non-sustainable development and transition countries have major population, health, agriculture, and other programs that could be linked to the Agency goals and objectives of the Framework. Also, for the Agency goal of "lives saved, suffering reduced and development potential reinforced" i.e. for humanitarian assistance and aiding post-crisis transitions, limiting coverage to the sustainable development countries would be inappropriate (a different or broader group of countries should be included)

A related issue was whether the ENI region

countries will be following and reporting against the Agency Strategic Framework, or will continue to have their own separate results reporting framework. This has now been resolved -- ENI will be adopting the Agency Framework

In conclusion, reporting for the Agency Strategic Framework will be made as inclusive as possible of all countries receiving USAID assistance. For each country, results data should be gathered, analyzed and reported - as appropriate - only for those Agency goals, objectives, and program approaches towards which the USAID Mission/ operating unit is actively working

## **Setting Performance Targets**

### **Difficulties with Agency-level targets**

Clearly, the Agency should monitor, analyze, and report on development trends and progress towards achieving the Agency's mission, goals and objectives (using cross-country comparable indicators). Such analysis could cover all USAID countries, or particular groups of countries, such as regions or those sharing an Agency objective

But, setting traditional "targets" (i.e. specific results by specific dates) for achievement of the Agency mission, Agency goals, or Agency objectives probably

does not make much sense. Setting specific targets to be achieved within specific timeframes can be done reasonably well at the operating unit (country Mission) level, but it is not very feasible at an Agencywide level. Whereas Missions can specify targets for their strategic objectives based on their resource levels, understanding of country-specific conditions, etc., this cannot be "aggregated" easily. Different Missions may appropriately identify different targets at different objective levels using different indicators as being within their own particular "manageable interest". Thus, it would be next to impossible to identify reasonable Agencywide targets that are within the Agency's "manageable interest" to achieve by a certain timeframe and with certain resources, even if the issue of identifying comparable indicators were resolved.<sup>10</sup>

### **Thresholds for Agency goals**

More realistic than setting Agencywide targets is the establishment of Agency "thresholds" for each goal. Agency goal indicators will track country progress towards specific threshold values (a type of target, but without setting a specific date for reaching it), which if achieved would signal "graduation" from USAID assistance for that sector (i.e. achievement of self-sufficiency in that strategic area). In other words, passing the thresholds for a

particular set of indicator values would signify when enough progress has occurred in that strategic area so that further USAID assistance is no longer needed for that country<sup>11</sup> Conversely, if a country is substantially below the threshold, this would indicate a continued need for USAID concern and interventions in this sectoral area The "key factors" in the Agency Strategy Implementation Guidelines (pp 5-10) could be used for this

For example, "threshold targets" for the Agency goal of stabilizing World population and protecting human health might be

- Total fertility rate of 4 or less
- Child (under 5) mortality rate per 1000 live births of 150 or less
- STD prevalence among women aged 15-30 of 10 % or less

Similarly, thresholds for the Agency goal of managing the environment might include

- Quantifiable losses in GDP due to natural resource depletion of 5 % or less
- Rates of degradation of key ecosystems (e.g deforestation) kept to 1% or less per annum
- Water and air pollution kept at or above "acceptable" levels for

human health (defined in terms of specific concentrations of pollutants in water and air)

At the highest Agency mission level, the "ultimate" target might be to pass the thresholds (i.g graduate to self-sufficiency) in all the Agency goal areas Thus, achieving "sustainable development" in a particular country might be signaled when the thresholds of all the five goals have been accomplished

#### **Aggregating operational-level targets**

Setting targets makes most sense at the operating unit level, where specific resources and activities, or results packages, are directly applied to achieve planned results by a specific date But how can performance towards these highly diverse, country-specific targets be aggregated or compared at an Agency level?

Despite the apparent difficulties, Agencywide analysis of operating units' achievement of targets is possible One approach, already used by CDIE in its annual report on USAID program performance, is to sum up how many (or what percent of) Missions sharing a particular Agency objective or program approach are exceeding or meeting their own (operating unit level) strategic objective targets This allows some Agencywide aggregation, but still enables Missions to define the level

of objective that they feel is within their own "manageable interest" to achieve. It also overcomes the issue of different timeframes and different choice of indicators. Of course, this should be accompanied by a more in-depth analysis of what's behind the numbers and what's happening with those exceeding and those falling behind their targets.

Also, to the extent that some Missions sharing an Agency objective or a program approach may use similar indicators, they could be compared and analyzed more directly. (See discussion below on analyzing and reporting results)

See Figure 12 for a summary of the proposed treatment of targets for each level of the Framework.

### **Analyzing and Reporting Agency Results**

Once the strategic plans of the Missions are linked to the Agency Strategic Framework, various analytical techniques will be used to describe how the Agency as a whole is implementing its goals, objectives, and programs. For example, "counts" can be given of how many Missions have significant objectives in each Agency goal area. Similar "counts" could be given for numbers of Missions sharing Agency objectives and program approaches. Similarly, how much the Agency is spending in

each of the Agency goal areas could be calculated, as could spending for each Agency objective and each program approach.

At the Agency goal and Agency objective levels, data collected on required, standard indicators (primarily from international sources) will be used to analyze country trends over the long term and their association with USAID contributions. Actual trends could be compared for various groupings of countries, e.g. progress made by all developing countries, all "sustainable development" countries, regional groupings, those sharing similar Agency goals and objectives. For example, one might expect or hope that outcomes for Agency goal or objective-level indicators would be greater in countries where USAID has made major investments than in countries with no such programs.<sup>12</sup>

Also, as already discussed, actual country trends and outcomes for Agency goal-level indicators could be compared to "threshold" targets set by the Agency for each goal area (with the "threshold" value representing a graduation to self-sufficiency for the goal area).<sup>13</sup> But setting more traditional "targets" (expected outcomes by a specific date) are probably not appropriate for Agency-level goals or objectives, given USAID's special context.

Agency program approaches is the level that typically

interfaces Mission-level strategic objectives with Agency-level goals and objectives. Usually several Missions will share or pursue similar program approaches. Assessing and "rolling up" results at this level can be done several ways. For example

- Of those Missions sharing a particular program approach, assessing how many of them are achieving or exceeding their (Mission-specified) targets and how many are falling behind
- Compiling and analyzing "common" indicators, where Missions sharing a program approach are collecting comparable data
- Giving examples from individual Missions of "successes" and "failures" in achieving their targets, drawing on Missions' performance monitoring and evaluation information

### **Linking Program Costs to Results**

Recently, during a review of this year's annual report on USAID program performance, Administrator Brian Atwood requested an analysis of what kinds of programs have the biggest pay-off in terms of results. This implies linking program costs to results. How might this be done?

Performance and accomplishing results should be assessed in relation to their costs, especially if performance information is to be used for strategic management of programs and resource allocation decisions (e.g. analysis of cost-effectiveness of alternative program strategies for achieving an objective). Moreover, GPRA requires that results be planned and assessed in relation to their costs, and ultimately aims at introducing performance-based budgeting in Federal agencies.

Under the new automated management systems, operating units will be asked to identify the "results package" (i.e. the specific set of activities, staff, and other resources and their associated costs) that are needed to support achievement of a particular strategic objective (i.e. with a specific expected result or "target"). Initially the analysis would compare planned costs with planned results, but over time actual costs could be compared with actual results. Thus, analysis of program costs compared to results should become fairly straight-forward at the operating unit level. Such analyses of program costs in relation to performance should help guide decision-making and resource allocations among programs and activities within Missions.

But can such cost-effectiveness analyses be done Agency-wide? Since a Mission's strategic objective is explicitly linked or

"hooked" into a specific Agency objective, this should enable some preliminary analysis of program costs in relation to Agency results. However, a report on performance-based budgeting in the USAID context warned that budget allocation decisions based on program performance was more appropriate within Missions, rather than across-Missions.<sup>14</sup> The linkages between USAID's investments and the country-level progress displayed in Agency goal and objective indicators is weak and tenuous at best, given the multitude of external factors influencing progress. Thus analyses attempting to relate costs and results at the aggregate Agency level should proceed with caution, if at all. It may be more appropriate to examine the cost-effectiveness of alternative program approaches or strategies through in-depth program evaluations, which can better deal with issues such as attribution, rather than solely on the Agency performance monitoring system.

### **Integrating Evaluation and Performance Monitoring**

Performance measurement and evaluation functions in the USAID Missions, while distinct, can be highly complementary if they are appropriately coordinated with each other.

- Performance measurement systems monitor whether actual results are being

achieved as planned. They are built around a hierarchy of objectives logically linking USAID activities and resources to intermediate results and higher level strategic objectives through cause-and-effect relationships. For each objective, one or more indicators are selected to measure performance against explicit targets (planned results to be achieved by specific dates).

- Evaluations are designed to answer questions of how and why results were or were not achieved. They often assess the specific contributions of USAID's interventions to results, explore unintended results and results not easily quantified. They also typically provide lessons and recommendations for adjustments in program strategies or activities.

USAID needs to know not only *what* results were achieved (via the monitoring system), but also *how and why*, and what *actions* to take to improve performance further. While performance monitoring may be more directly related to "accountability-for-results", evaluation is a necessary, complementary tool for improving program management.<sup>15</sup> Figure 13 clarifies some of the distinct yet complementary roles of performance measurement and evaluation.

Thus, information from performance measurement systems should be closely linked with evaluations. Performance monitoring information will often "trigger" or "flag" the need for an evaluation, especially when there are unexpected "gaps" between actual and expected results. Depending on at what level there's unanticipated trouble, evaluations may be needed at the activity level, at the level of intermediate results or at the strategic objective level. Not only failures to achieve targets, but also unexpected successes deserve special evaluations.

While Missions should continue to use evaluation to understand operational problems and assess individual activities, with a clear results framework in place, Missions will also have a need to evaluate strategically - that is, assess the broader development hypotheses. Such strategic evaluations assess the performance of entire groups of activities all directed at a common strategic objective (or intermediate result), analyze causal linkages and the relative effectiveness of alternative interventions and approaches. Thus, these broader program evaluations are more useful for strategic decision-making -- not only for Mission Directors but also USAID/Washington senior managers facing decisions about what program approaches and strategies to promote and which to abandon to more

effectively achieve their objectives

The new performance monitoring and evaluation guidance (policies and essential procedures) seeks to underscore the complementarity of these two related functions, and the need to coordinate them closely. Missions are being encouraged to conduct evaluations where performance monitoring information indicates unexpected results, whether this is at the level of strategic objectives, intermediate results, or individual activity outputs.

Moreover, supplementary guidance will be needed to develop methodologies and tools for conducting broader program (or "strategic") evaluations.<sup>16</sup> Not only generic methodologies, but ultimately program-specific guidance may be needed.

**Can evaluation information be more readily linked with performance monitoring data?**

Some way of easily linking information from evaluations completed by operating units to their respective strategic objective (or intermediate result) would be useful for "information sharing" within the Agency. For example, it would facilitate CDIE's task of preparing the Agency annual report on program performance by linking together quantitative data on results achieved (the monitoring system) with more qualitative analyses of how and why we

performed well or poorly, and what we can do to improve performance (the evaluation system) It could also serve other Agency needs such as (a) meeting urgent needs for information from the Fifth Floor on "results" in any number of program areas, (b) coming up with "success stories" for the Congressional Presentation or for Congressional requests, and (c) finding "case histories" explaining how and why results were achieved to accompany performance information for OMB's Spring Reviews of GPRA, etc

One suggestion is for linking evaluation information through the automated results tracking (performance measurement and reporting) system This might be done by allowing for a "textual field" to incorporate relevant evaluation information for every objective (result) level of an operating unit's results framework Thus, if targets are not met or are exceeded, a "rationale" for the gap could be given, based on evaluations or other analyses<sup>17</sup>

### **The USAID Strategic Framework and GPRA Requirements**

Does the USAID Strategic Framework meet requirements of the Government Performance and Results Act (GPRA) of 1993? While terminology may differ somewhat, the basic concepts and structure of the Agency Strategic Framework is consistent with the GPRA

However, USAID does not "fit" the model completely because of its special mission, features and circumstances as a development agency that sets it apart from domestic programs

- USAID operates in different countries with different contexts whereas most federal agencies typically operate only in the U S
- USAID plays only a supporting role for programs that are ultimately the responsibility of foreign recipient governments and organizations
- Development results are generally very long term propositions compared to domestic program goals
- The substantive range of USAID activities is very broad compared to domestic agencies which generally focus on a specific program area (e g agriculture, education, etc )

However, some variation should not be a problem Federal Agencies are not expected to invariably use "standard" GPRA terms and definitions, according to an OMB memorandum for the Heads of Executive Departments and Agencies on "Spring Review of Program Performance" ( March 3, 1995, Attachment E Primer on Performance Measurement) The memo acknowledged that "No standard definitions currently exist Variations or

divisions of these definitions can be found in other Federal Programs as well as non-Federal measurement taxonomies. The nomenclature of measures cannot be rigidly applied. " Moreover, the memo acknowledges particular measurement difficulties in the area of foreign affairs

The following paragraphs compare specific GPRA requirements for strategic plans, annual performance plans and performance reports, and discusses how the USAID Framework deals with them

GPRA requires Federal Agencies to submit multi-year strategic plans (covering at least a 5 year period) containing<sup>18</sup>

- a comprehensive mission statement covering the major functions and operations of the agency,
- general goals and objectives for the major functions and operations of the agency,<sup>19</sup>
- a description of the approach to be taken to achieve the general goals and objectives,
- a description of how the performance goals included in the performance plan (See below) shall be related to the general goals and objectives of the strategic plan,
- identification of external factors that may

influence achievement of the general goals and objectives, and

- description of program evaluations used in establishing or revising general goals or objectives and a schedule of future program evaluations

The Agency Strategic Framework (which will be the basis for USAID's strategic plan) follows these requirements quite closely, since it includes

- an Agency mission statement,
- Agency goals and objectives<sup>20</sup>
- program approaches (strategies used to achieve goals and objectives),
- an approach for linking the strategic objectives of operating units (included in their strategic plans) to the Agency goals and objectives,<sup>21</sup>
- new evaluation guidance emphasizing that operating units should conduct program evaluations that complement their program performance systems, assess why and how results packages/ activities were successful or not in achieving their strategic objectives, and recommend actions<sup>22</sup>

GPRA also requires annual performance plans and performance reports covering each program activity. The performance plans are to be submitted coincident to (and consistent with) the agency's budget document. The performance plans include requirements for

- establishing performance goals to define the level of performance to be achieved by a program activity
- express such performance goals in objective, quantifiable, and measurable form
- establish performance indicators to be used in measuring and assessing the relevant outputs and outcomes of each activity
- provide a basis for comparing actual program results with the established performance goals

The performance reports require

- review the success of achieving the performance goals of the fiscal year
- where a performance goal has not been met, explain why and what action is recommended
- if the performance goal is impractical or infeasible, why that's the case and what action is recommended

- summaries of program evaluation findings completed during the fiscal year

In the USAID context, setting "performance goals" equates with setting "targets" and is done at the level of "strategic objectives" of the individual operating units (e.g. country Missions). In the Missions' strategic plans, "targets" (expected results to be accomplished by specific dates, usually 5 - 8 years away) are established for each strategic objective and then actual performance is monitored annually (or periodically) towards achieving this target. Thus, USAID's performance measurement system does the kind of performance planning, monitoring, analysis and reporting recommended in the GPRA, but at the operating unit (Mission) level only. These annual performance plans and reports prepared by the operating units are called "Results Report and Resource Request (4R) Reports". As explained elsewhere, in the USAID context it does not make sense to set Agencywide performance goals (i.e. targets) <sup>23</sup>

However, Mission-level performance can be summarized (i.e. "rolled up") for each Agency program strategy in a variety of ways, e.g.

- (1) by counting the number of Missions achieving or exceeding their targets,

(2) by compiling common indicators Missions are tracking for a particular program approach, or

(3) by giving examples of specific Mission efforts, both successes and failures

These techniques are typically used by CDIE in the preparation of USAID's annual report on program performance <sup>24</sup>

See figure 14 for a comparison of GPRA requirements (and terminology) with USAID's approach

1 Some Regional Bureaus may wish to establish and track their own regional objectives for internal reporting purposes, but this will not be an explicit part of the Agency Framework

2 Some editing liberties were taken to ensure consistency among the five sectoral frameworks and to state objectives as results

3 These four national interests are based on a PPC paper drafted by Mike Crosswell

4 Achieving sustainable development is the Agency's overall mission according to the policy paper *Strategies for Sustainable Development*. However, "sustainable development" may not entirely capture the purpose of all possible Agency activities, for example, for many ENI or BHR programs

5 Based on the five chapters of the *Strategies for Sustainable Development*

6 However, at the higher levels, Missions should probably be prepared to justify why they chose to go beyond the objectives stated in the Framework, since this represents Agency policy guidance as expressed in the *Strategies for Sustainable Development*

7 However, four levels may not go "low" enough to capture all Missions' strategic objectives

8 Some have argued that we should not yet rule out the possibility of doing the same for program approach indicators, although perhaps on a selective basis (some strategies lend themselves better to quantification and measurability than others). That is, perhaps for some program approaches there may exist a few good indicators that could be easily collected and compared and thus should be "required "

9 We recognize, however, the limitations of many of these international database sources. They are typically several years out-of-date and sometimes use extrapolated rather than actual data points. For many areas of interest to USAID, especially for democracy and the environment, readily available international sources may be scarce or have limited coverage

10 For example, one Mission might claim the target of their strategic objective to be "achieve a contraceptive prevalence rate of 35% by 1999". A second might have "reach a total fertility rate of 3 by 2002". Yet a third might have "increase number of family planning workers to 2000 by 1998". And yet other Missions with family planning programs might have yet other unique objectives, indicators, target dates, etc. This could not be translated into a single Agencywide target using one

comparable indicator and one specific date

11 Simply achieving the indicator "threshold targets" should not be rigidly interpreted as a "trigger" to abandon a sector, but rather as a "flag" that more in-depth analysis is needed of whether or not continued USAID involvement is warranted. Such analysis should consider issues such as the sustainability of accomplishments (e.g. the existence of the institutional capability to maintain the progress made), and whether the overall thresholds established at the country level mask great internal disparities.

12 Such analysis and interpretation of the data would need to be done carefully, because there are so many exogenous factors influencing country-level progress besides USAID's relatively small inputs. For example, if USAID policy stresses investing in those sectors where the problems and needs are the most severe, it's entirely possible that country macro-level analysis of trends would find performance actually lower where we have programs.

13 See Section on "Should there be Agency-level targets?" Again, one needs to approach analysis of threshold targets with caution and flexibility rather than with rigid rules. Achieving a threshold may mask significant regional disparities within a country or lack of recipient country capacity to sustain achievements.

14 See Allan Schick, *A Performance-based Budgeting System for the Agency for International Development*, June 1993.

15 Moreover, GPRA requires that agencies conduct program evaluations in conjunction with performance monitoring, explain why programs failed and what action is recommended. (See section 17 on the GPRA.)

16 Developing methodologies for Missions to use in such strategic or program evaluations is still in its infancy. A PRISM contract team has just recently completed its first "program evaluation", of the El Salvador Mission's economic growth strategic objective. It should yield some methodologies and tools for this type of evaluation, especially in analyzing linkages and cause-effect relationships among the various levels of results in a results framework. CDIE's experience with program evaluation methods may also be relevant.

17 For example, the textual field might include "Summary" information on the evaluation's findings, evidence linking results to USAID's activities, analysis of why performance was good or poor, recommendations offered, and actions taken by the operating unit. There might even be a mechanism to allow the

user to easily access the full text of the evaluation document

18 Agencies may chose to develop separate strategic plans for component organizations or functions, but these separate plans must be subsequently incorporated into a single Agency-wide document (page 21)

19 In the GPRA, the general goals are long-term and need not be in quantitative or measurable form, but should be expressed in a manner that allows future assessment of whether the goal is achieved

20 While not required by GPRA, USAID would monitor trends in indicators at the Agency goals and objectives level, and analyze long-term progress towards thresholds of self-sustainability

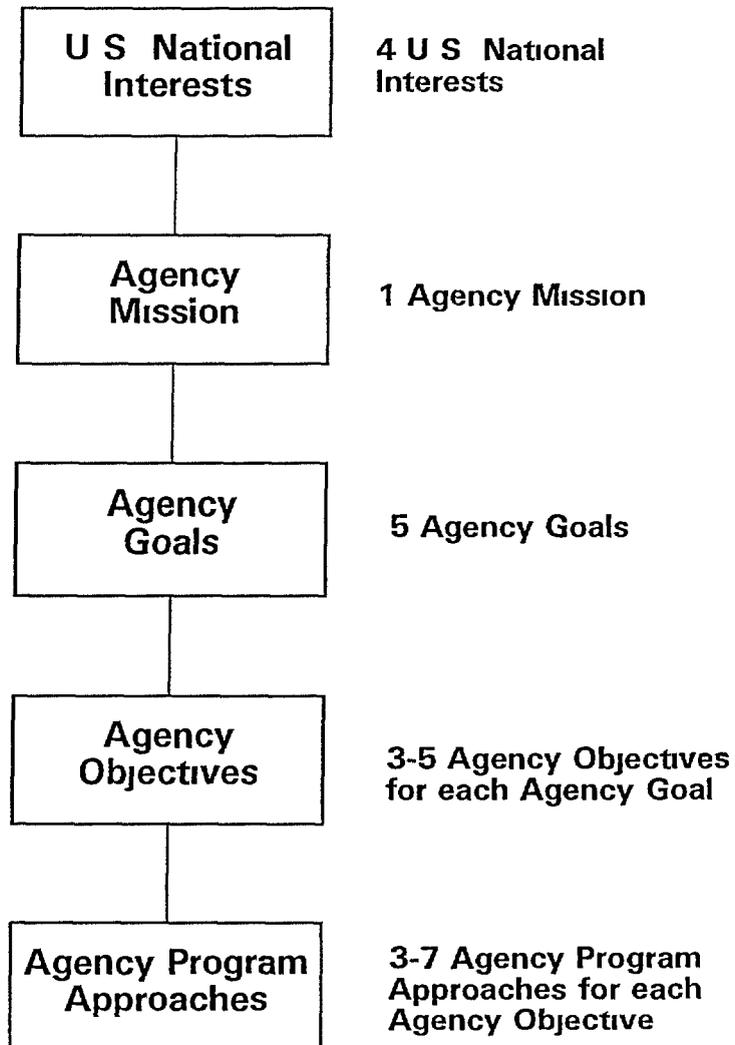
21 See section on "How will the strategic plans of operating units be linked to the Agency Strategic Framework?"

22 See section on "How will evaluations be integrated with performance monitoring?"

23 See Section on "Should there be Agency-level Targets?"

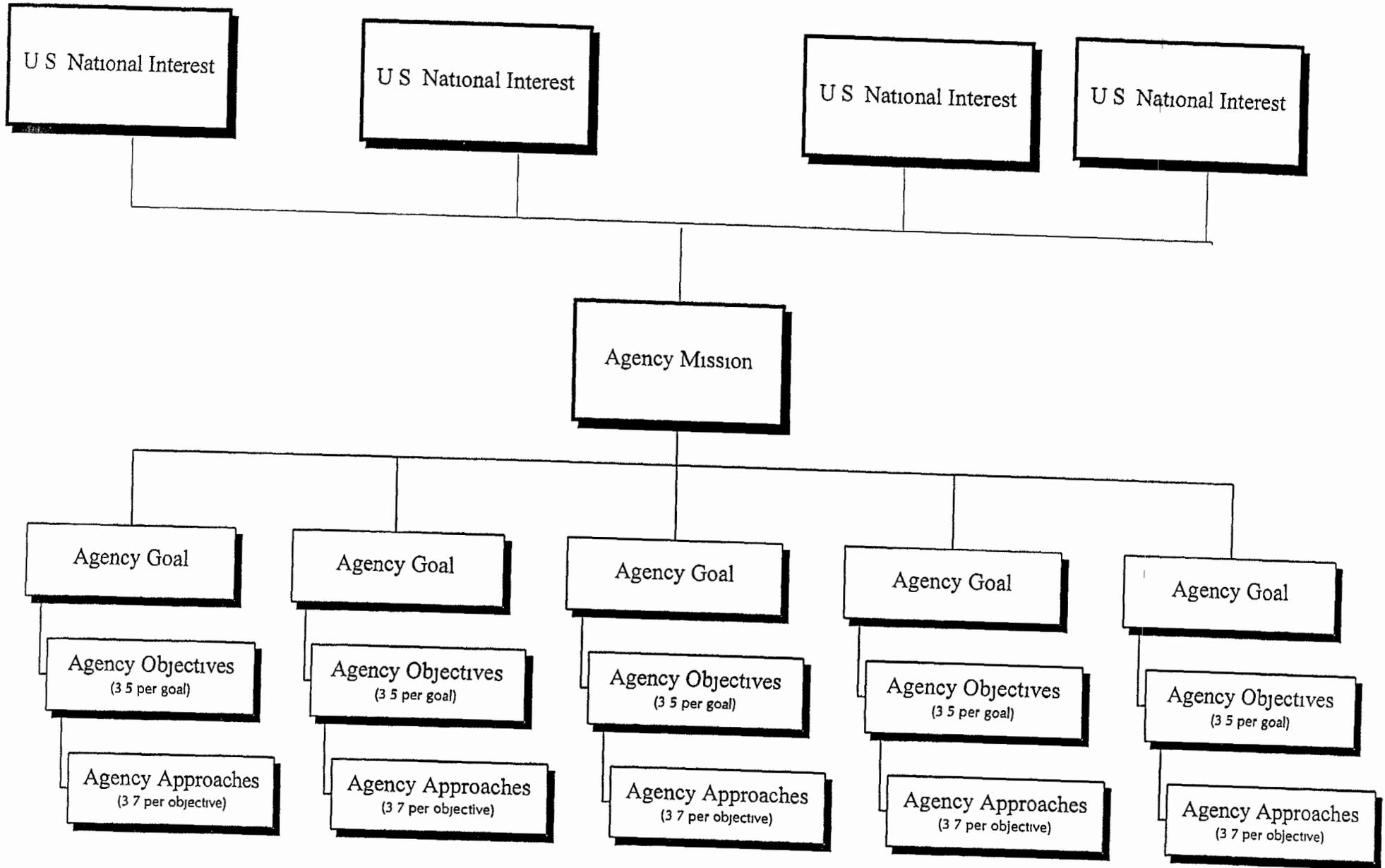
24 See section on techniques for analyzing and reporting results

**Figure 1: Agency Strategic Framework:**



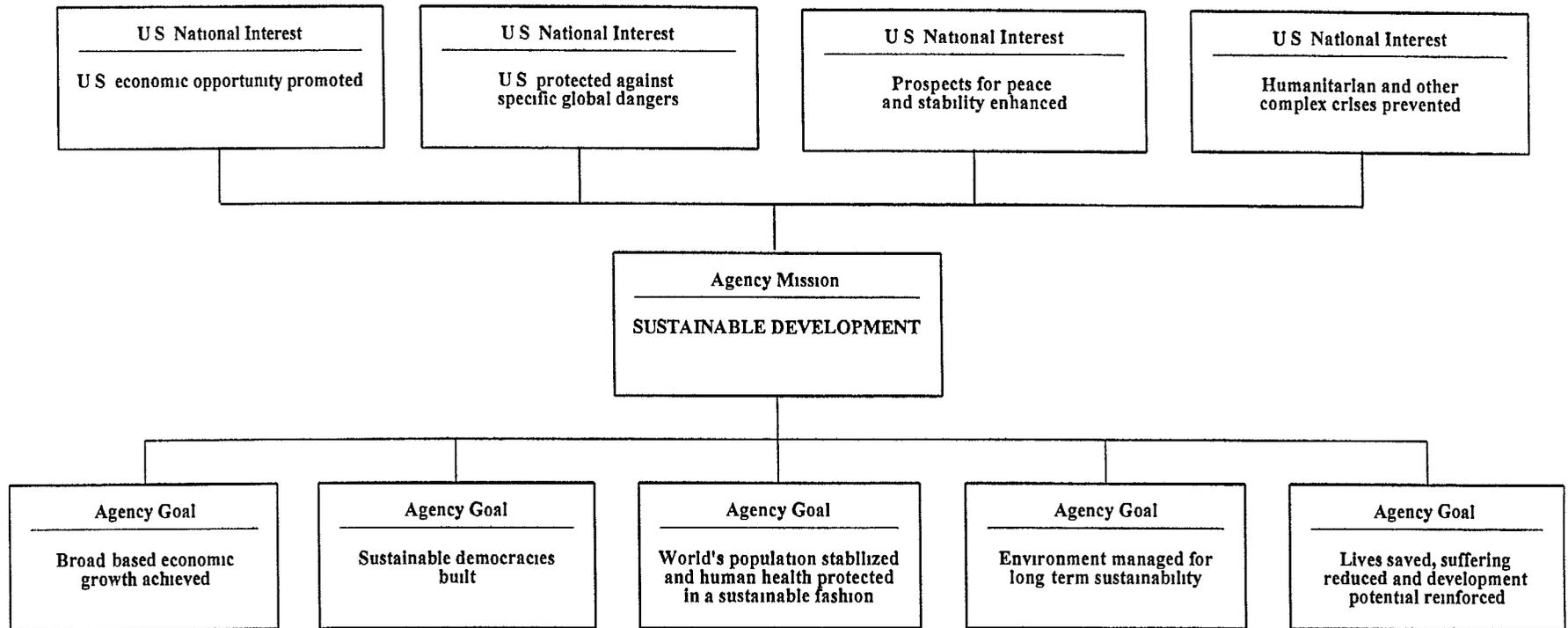
CDIE/PME 7/20/95

Figure 2 - Agency Strategic Framework:  
Expanded Version of Components



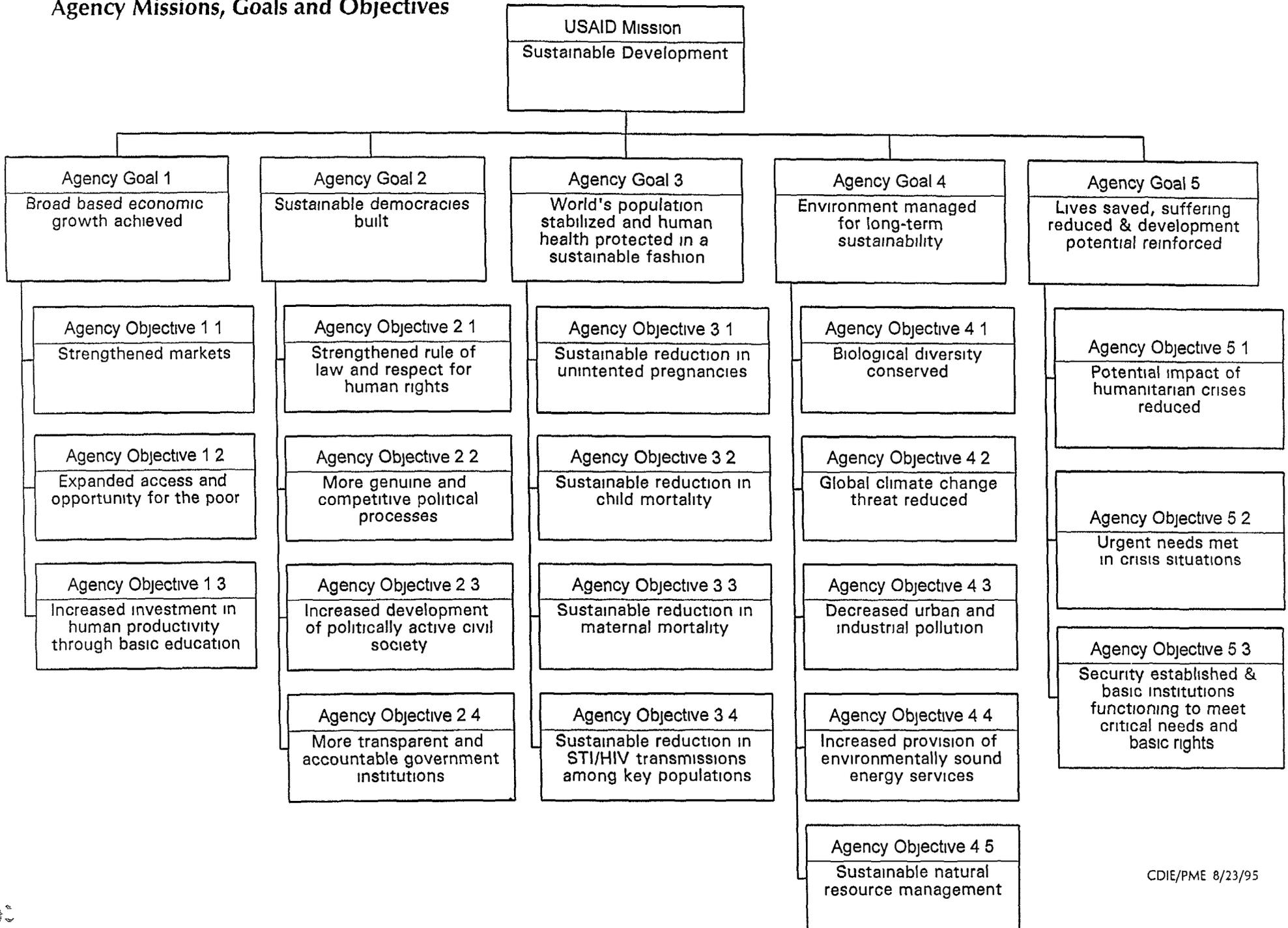
32

**Figure 3 Agency Strategic Framework**  
**U S National Interests, Agency Mission and Agency Goals**



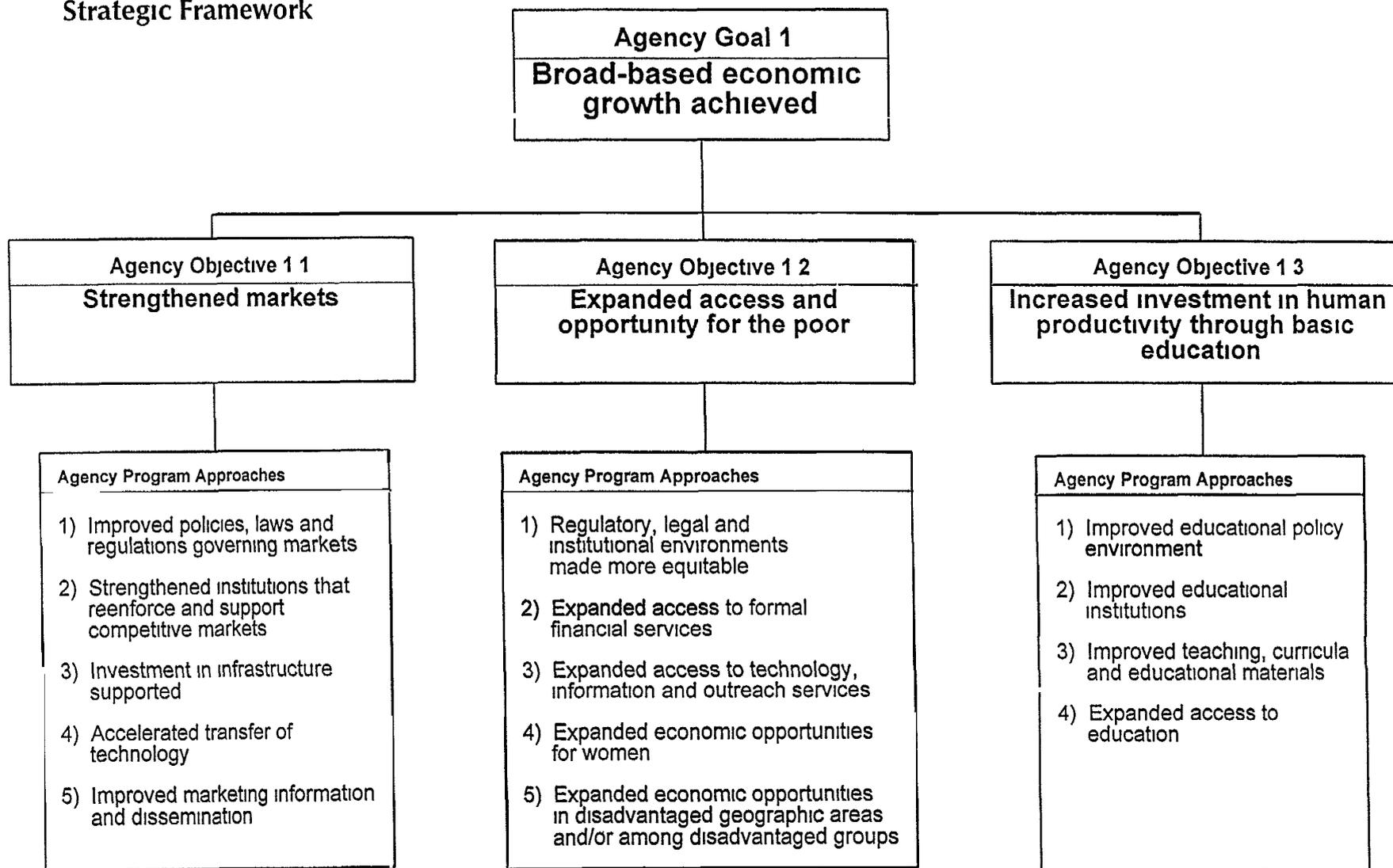
42

**Figure 4: 1995-96 USAID Strategic Framework:  
Agency Missions, Goals and Objectives**



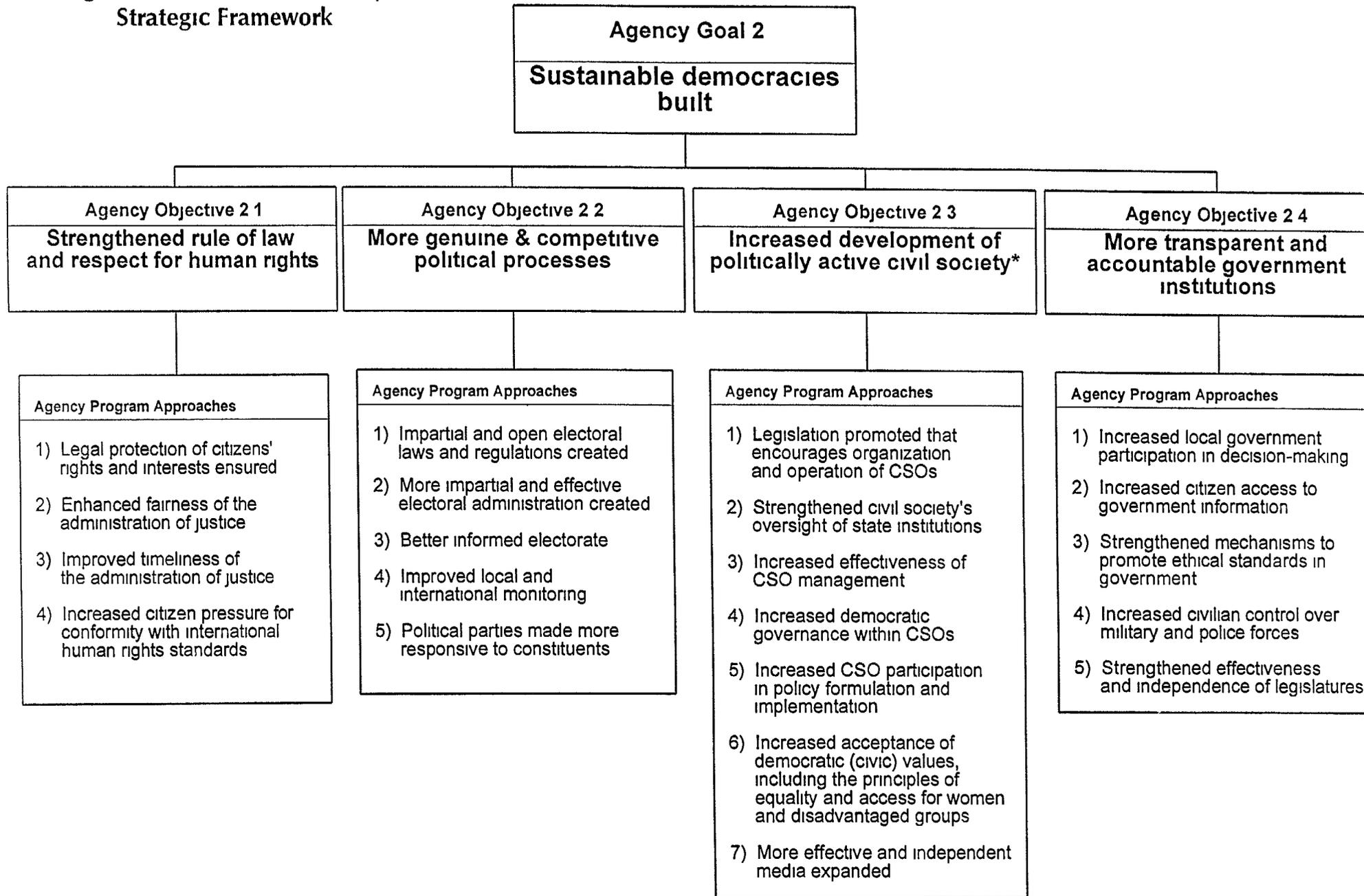
*Handwritten initials*

**Figure 5: 1995-96 Economic Growth Strategic Framework**



*Handwritten mark*

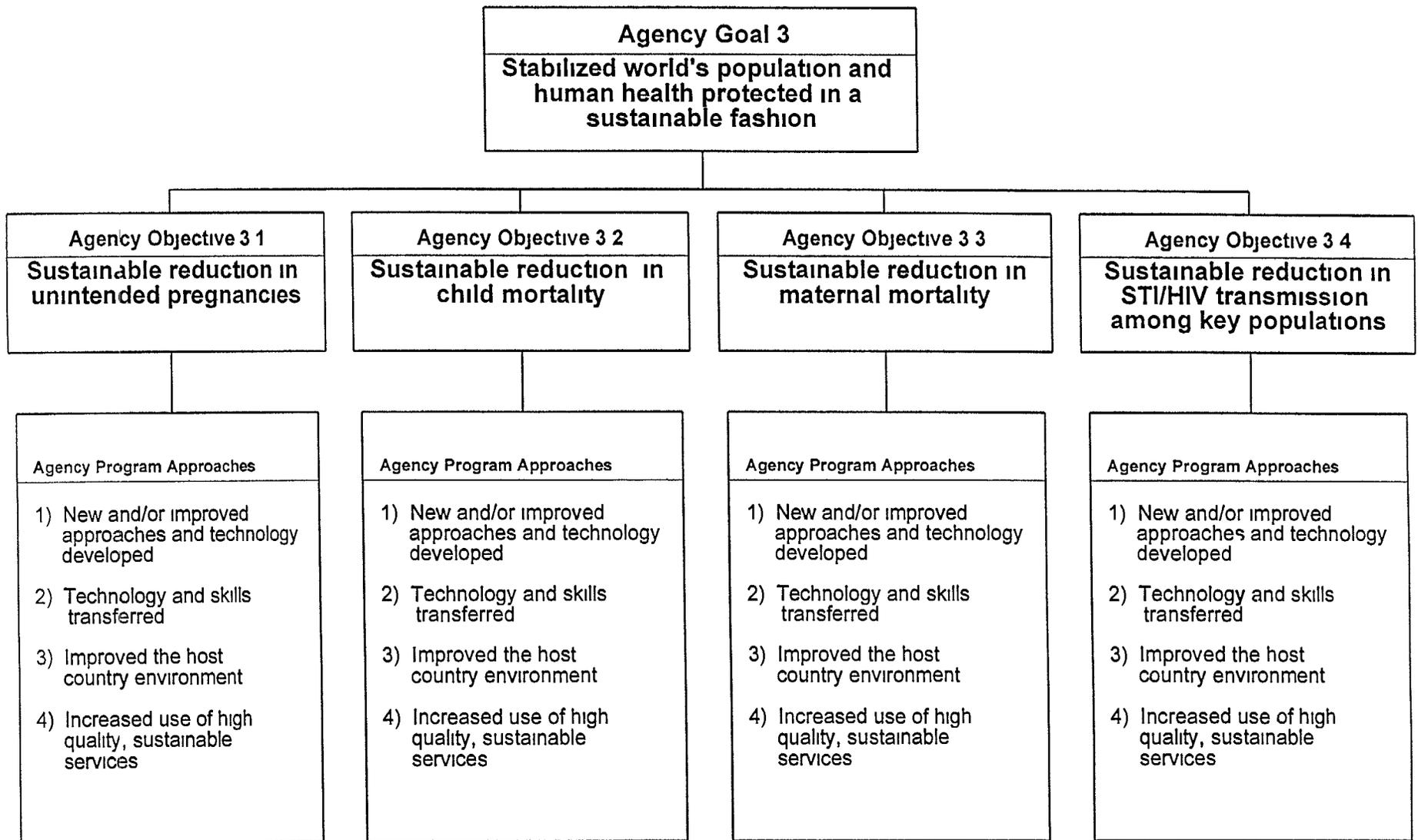
**Figure 6: 1995-96 Democracy Strategic Framework**



\* Civil society organizations include labor unions, NGOs, human rights groups, etc

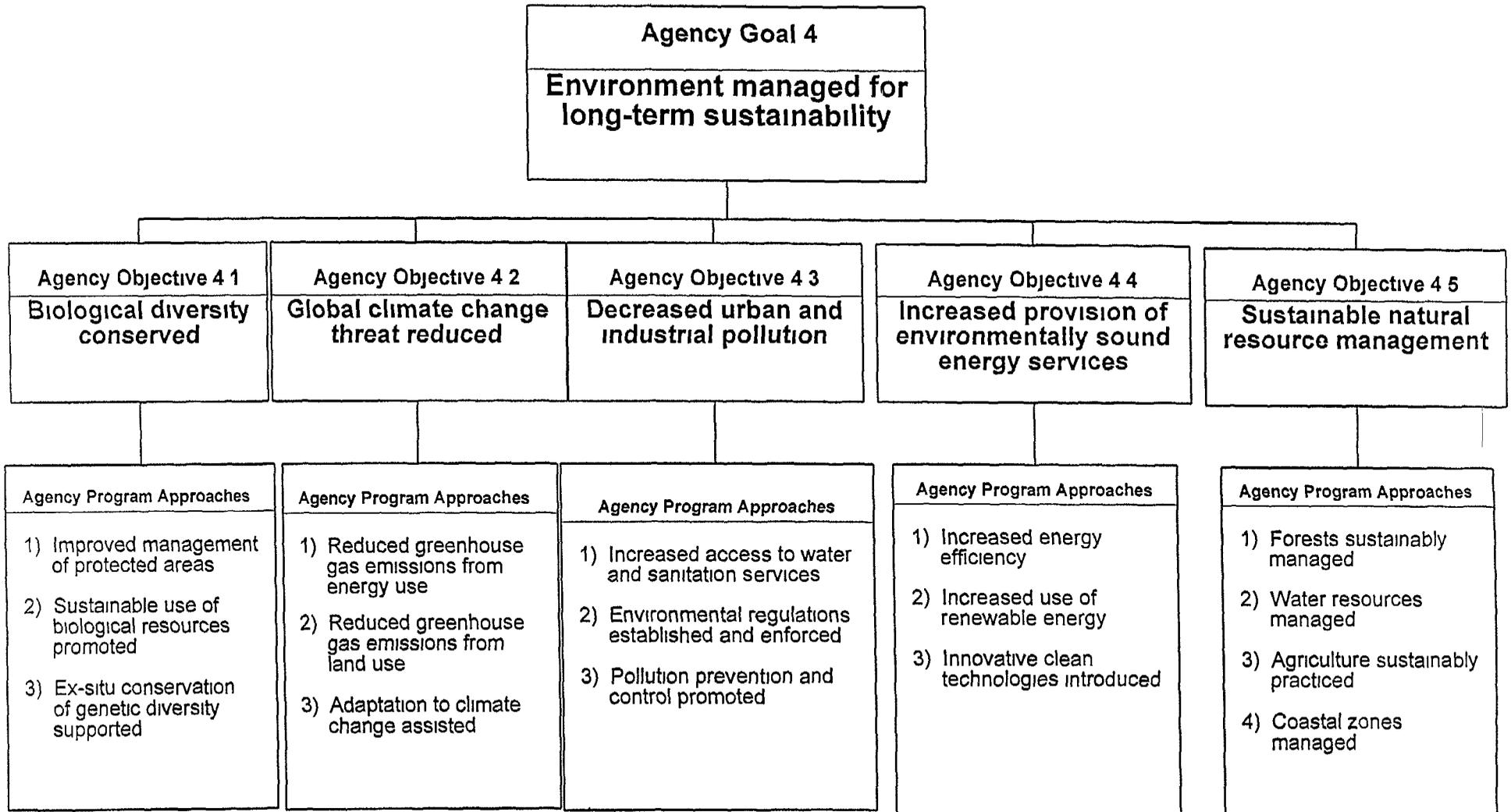
36

**Figure 7: 1995-96 Population, Health and Nutrition**



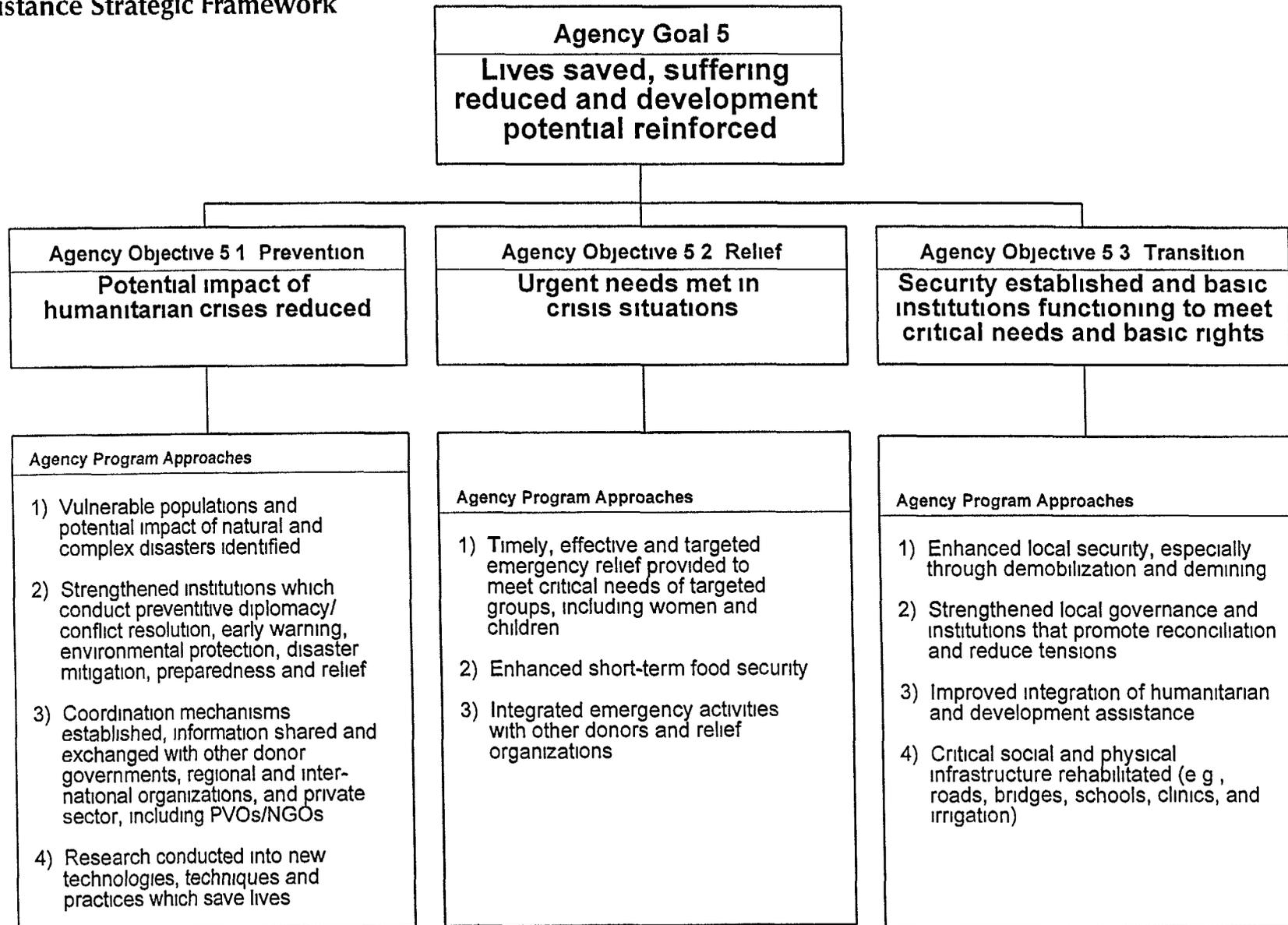
37

**Figure 8: 1995-96 Environment Strategic Framework**

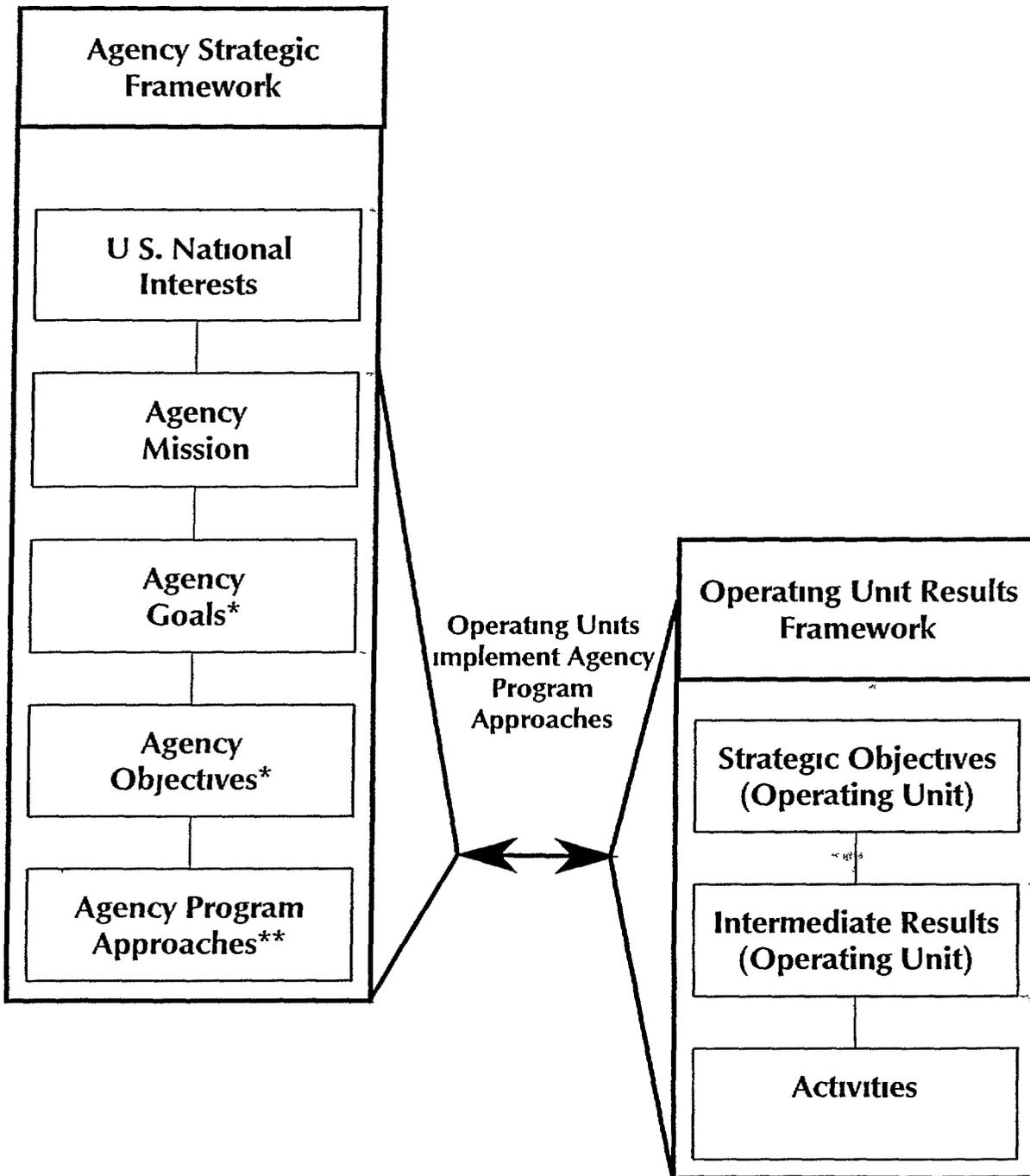


28

**Figure 9 1995-96 Humanitarian Assistance Strategic Framework**



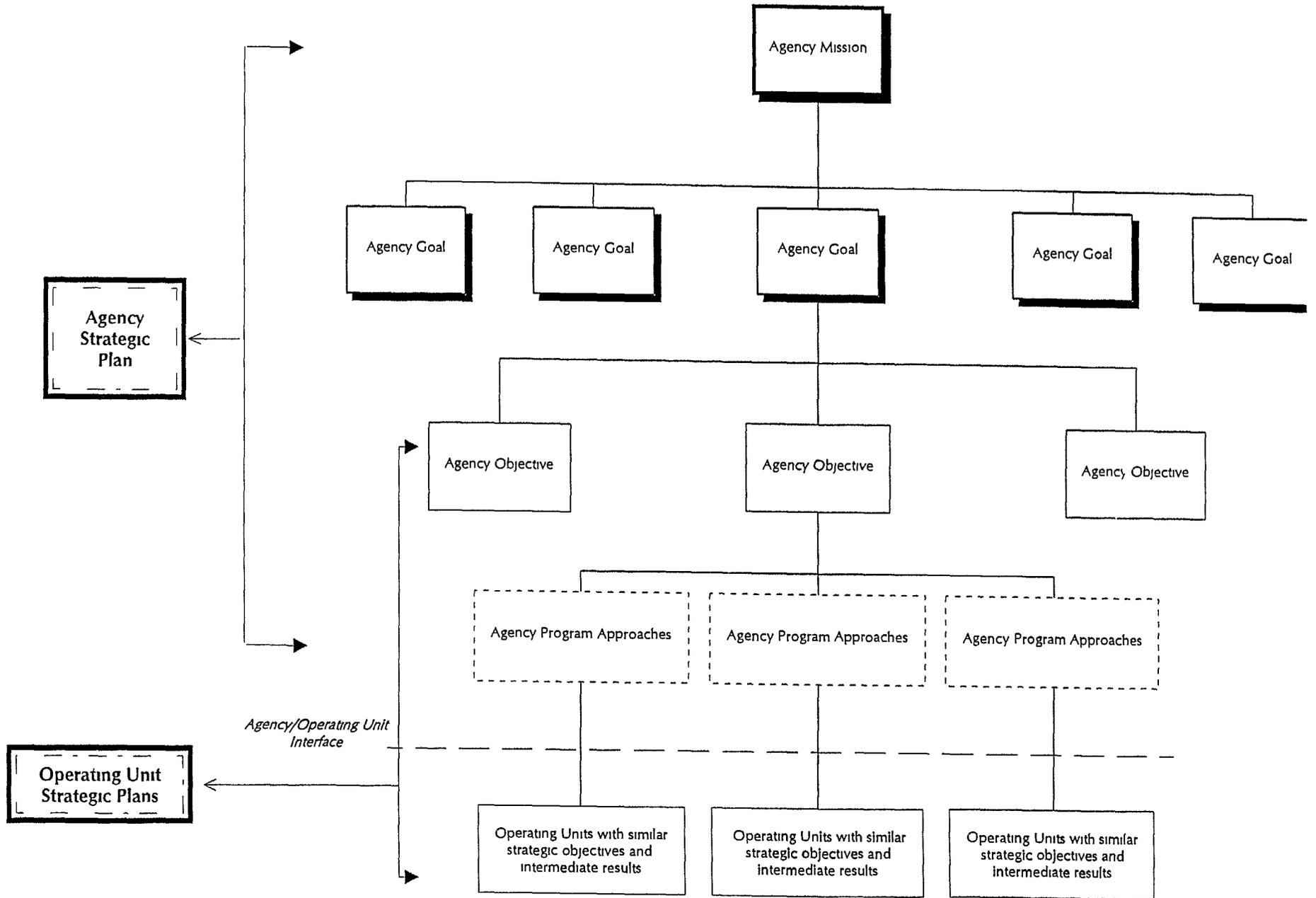
**Figure 10. Agency Strategic Framework: The LINK between the Agency Strategic Framework and Operating Unit Results Framework**



\*Indicators with standard, cross-country comparable definitions, data primarily from international sources

\*\*Indicators with similar definitions, commonly shared by Missions, data primarily from Mission sources

Figure 11 - Relationship of Agency & Operating Unit Strategic Plans



14

**Figure 12: Agency Strategic Framework:  
Proposed Treatment of Indicators & Targets**



\*Indicators with standard cross-country comparable definitions data primarily from international sources

\*\*Indicators with similar definitions commonly shared by Missions data primarily from Mission sources

**Figure 13: Complementary Roles of Program Performance Measurement and Evaluation**

Performance Measurement	Evaluation
<ul style="list-style-type: none"> <li>√ Tells us whether results were achieved or not</li> <li>√ Links project activities and their resources to objectives</li> <li>√ For each objective, identifies performance indicators and sets targets (intended results)</li> <li>√ Routinely collects data on these indicators, compares actual results with targets!</li> <li>√ Alerts Managers about progress, problems, and identifies additional information needs</li> </ul>	<ul style="list-style-type: none"> <li>√ Analyzes why intended results were or were not achieved</li> <li>√ Assesses specific contributions of activities to the results</li> <li>√ Examines other results not easily quantified</li> <li>√ Explores unintended results</li> <li>√ Provides lessons and recommendations</li> </ul>

**Figure 14: Elements of Performance Measurement System:  
Comparison of GPRA and USAID**

