

# **2004 Annual Report After-action review**

**6/24/2004**

## Introduction

In order to improve missions' compliance and the Annual Report (AR) process in general, PPC conducted an after-action review of the FY 2004 Annual Report. This review identifies areas of success and suggests areas for improvement in the coming year. While most operating units would prefer minimal changes in the AR from one year to the next, it is not realistic to maintain a static AR due to the ever-changing nature of government in the electronic age. PPC's goal is to minimize significant changes to the AR, focusing on improvements that simplify the process and provide for improved data collection.

In a March 26<sup>th</sup> meeting, representatives of OMB described USAID as the "vanguard Agency" with regard to performance and budget integration. In late April, OMB awarded USAID "yellow light" status on performance and budget integration in recognition of Agency's great progress in this area. For the second year in a row the Congress has not put holds on our notifications through the CBJ. What is significant about these successes is that they are largely attributable to the quality of data collected through the AR over the last two years.

With improved data collection through the Annual Report, the reliability and usefulness of information will increase. The Agency should take steps to ensure that Missions fully complete Annual Report databases with information needed, particularly in the area of targets and indicators. Of the 332 active SOs with past performance reported in the FY 2004 Annual Report, only 197 were complete enough to permit analysis. In large part, this is due to a lack of targets and indicators included in the Annual Report.

A few highlights from this year's AR process include:

- Analysis of the direct administrative cost of implementing a Strategic Objective shows that our cheapest SOs in 2004 are in the performance goal for containing or resolving existent or emergent regional conflicts. Next cheapest are those in trade capacity and anti-trafficking in drugs and people. Our most expensive SO's are in the education, environmental and counterterrorism performance goals. Counterterrorism is also the only performance goal where the Agency did not meet its performance targets. By region, AFR on average has the most expensive SOs (in terms of direct administrative cost to program dollar received), but also had the highest performance scores in 2003. ANE runs the most program dollars to direct administrative cost and, on average, is exceeding its performance targets.
- Among SOs managed overseas, program performance tended to exceed targets, averaging a performance score of 1.22 for the Agency (a score of 1.0 indicates that a target was "met"). One conclusion from the overall number is that target-setting may need to be more ambitious, so that performance does not as often exceed targets.
- The workforce table in the Annual Report was used by the administrative cost group to investigate how missions might charge a percentage of program funds to cover operating expenses, rather than using the current OE account. This data was also used in the IT cost recovery effort, which allows IRM to be reimbursed for the services they provide program

personnel. The AR workforce table is the only source of program funded administrative costs in the agency – neither accounting nor HR track this information.

These successes indicate that the Agency is moving in the right direction with performance data collection and analysis. However, if the compliance with AR requirements and the quality of data collected do not continue to improve, the Agency risks losing its yellow light status and growing support from OMB.

### **Changes from the FY 2003 Annual Report**

The biggest changes in FY 2004 were the addition of emphasis area codes, restructuring parameters and objectives around the new Joint State/USAID strategic plan, and the addition of measures to the Performance Measures table. Comments on these changes are included in the attached list of after-action review questionnaire responses.

### **Analysis of Annual Report Data**

PPC analyzed the FY 2004 AR in order to gain insight into the relative costs of SOs, including a comparison of performance and funding information. In particular, PPC focused attention on the administrative costs (ratio of administrative costs to program funding) of SOs across sectors and bureaus to determine whether similar SOs had similar costs Agency-wide. Findings from the analysis are summarized in a separate document, but a list of all SOs analyzed is included as an attachment to this document. While there are variations across sectors and by bureau, the analysis showed that the Agency spends approximately ten cents to manage each dollar of program funding. With continued and improved data from the Annual Report, the Agency will be able to build on this analysis and provide detailed analysis of administrative and program costs.

### **Findings from the After-action review Questionnaire**

PPC/SPP received 59 responses from over 30 Missions and two pillar bureaus. Some Missions submitted multiple survey results from staff working on separate components of the AR. Consequently, in some cases, respondents only completed questions that were pertinent to their role. In this context, “respondent,” as used below, means a respondent to that particular question or issue as opposed to the entire 59 respondents as a whole.

PPC would like to thank the following operating units for responding to our questionnaire by the April 16<sup>th</sup> deadline: Armenia, Bolivia, Brazil, Cambodia/PRO, Caucasus, OFDA, OTI, PVC/PPO, Dominican Republic, EGAT/ED/PT and NRM, Egypt, El Salvador, Eritrea, Ethiopia, Guinea, Ghana/WARP, Haiti, India, Jamaica, Jordan, Kenya, Kenya REDSO, Kosovo, Macedonia/PGM, Madagascar, Malawi, Mali, Mexico, Mozambique, Panama, Paraguay, RCSA, Rwanda, S. Africa/EXO, Senegal, South Africa, Uganda, Zimbabwe/SED. Other questionnaires were received after the deadline but due to time constraints not all of them could be incorporated.

### **Application & Components**

- Staff overwhelmingly found the application components “Easy” or “Moderately Easy” to use, with the majority opting for “Easy”.
- Most of those who chose “Complicated but Do-able” or “Difficult” to use components identified “Transmitting Results to Washington” as the most challenging component. This result supports our goal to move the AR application to a web-based format which would facilitate results transmission to Washington. Preliminary tests conducted by PPC suggest that this is feasible.
- Other challenging components identified were “Proofing and Reviewing”, “Entering Coding Data” and “Entering Performance Management Data”.
- The vast majority of respondents found the AR Support services “Good” or “OK” and most did not need to use any support services whatsoever during the AR/CBJ process.

### **AR/CBJ Guidance**

- Forty-six out of fifty-four respondents (85%) acknowledged reading the entire AR/CBJ guidance, including annexes.
- Over 65% of 55 respondents found the guidance useful and a majority found the Freedom examples helpful.
- Of those contacting Washington for assistance on the Guidance, most contacted PPC or “No one” with the third highest level contacting their regional program office. Of those with comments, most responded that assistance was timely and helpful.
- Twenty-five out of 39 respondents (64%) found the budget coding straightforward, while 30 out of 40 respondents found the joint USAID/State performance measures reporting clear.
- Thirty-eight out of 38 respondents (100%) found the annexes helpful.

### **Overall Process**

- Thirty-one out of 42 respondents (74%) indicated that their Operating Units (OU) selected indicators before June 30, 2003 (14 of these 31 respondents selected indicators prior to 12/31/02). Unfortunately, 11 respondents (26%) selected indicators after 6/30/03, including two respondents that noted their OU’s never selected indicators.
- Twenty-four of 29 respondents reported good coordination with the Embassy in linking USAID SOs to the Joint Plan.
- Respondents indicated that the most complicated and time consuming sections included: Entering the Performance Narrative; the State/USAID Performance Measures; Entering Workforce Data; Coding the FY 04/05 Budget; and Entering the CBJ Narrative.
- In describing their attitude towards the AR exercise, 45 of 59 respondents (76%) chose the view “Challenging but Understanding of the use and necessity of the AR.”

Please see the full summary result attached.

### **Issues with the Annual Reports Received**

*Submission Timing* The experience with meeting deadlines was mixed. Most late ARs were a result of transmission problems, but a few were simply late. The challenge or Washington is that

Program offices need one week to address software issues, two days per country to edit (for two weeks total) and one week clearance through Front Office. The Bureau of Program and Policy Coordination need several weeks to consolidate all information received from the Bureaus to the Agency level. PPC and LPA are actively pursuing alternative layouts to meet the February deadline of getting the CBJ portion of the Annual Report to the Hill.

*Coding* Although USAID has for many years collected area emphasis codes, this was the first year that USAID collected that information through the Annual Report mechanism. Since emphasis area codes were not included in the FY 2002 AR, PPC asked for two years of coding in this first effort. While some hiccups were anticipated, some OUs simply ignored coding. USAID/Washington hoped that the coding collected in the Annual Report database would greatly reduce *ad hoc* requests to the field including those originating from Congress. In particular, being able to respond promptly and accurately would help to hold off earmarks that distort USAID's ability to budget strategically. Unfortunately, Operating Units failed in many respects to take this effort seriously, and there is now risk of Congressional earmarks in some areas.

*Workforce* information submitted by one mission was unacceptable. All technical staff were assigned to the same SO and the loaded costs of many program funded personnel were too high. These data are used for many purposes by PPC; most significantly, it is necessary for OMB reporting requirements under the Presidential Management Agenda and for calculating the administrative cost of our SO's. All other missions provided useful data but until this mission resubmitted corrected data, PPC could not do any bureau or agency wide analysis. It is critical for all to submit accurately and no time.

*Indicator Data* continue to be an area of Agency concern. Some Missions selected their indicators and targets too late in the year. As mentioned by one mission that selected targets after June 30, 2003, "The initial indicators we chose in November 2002 were deemed no longer applicable." Under certain circumstances with proper documentation, adjustments to indicators can be made late in the game, but without widespread consistency in Agency indicator reporting, the Agency faces audit vulnerability.

PPC evaluated OU indicators using the data submitted in SO indicator tables, comparing targets to actual reported data. Using the weights supplied by missions for each indicator, PPC assessed the performance score of each SO. After ordering these SO scores, PPC analyzed the top and bottom 10% of SOs and compared the SO score to the SO narrative submitted by the Operating Unit. Regional bureaus conducted more detailed analysis using the same performance scores and compared them to performance reported in the SO narratives. The findings from both evaluations follow.

There was a strong disconnect between the scores generated by the indicators listed in the Data Tables and evaluation of performance included in discussions of the indicators in the text of the SO Performance Narrative. Out of the 32 SOs that make up the 10% of top performing SOs:

- 9 (28%) mentioned all indicators in Performance Narrative text
- 10 (31%) mentioned none

- 19 (59%) mentioned 50% or fewer of the indicators in the text

The lowest performing 10% of SOs contained more omissions and raised more questions about the organization of the data tables than the top performing 10% of SOs. In many cases, the indicators in the table bore no relationship to the text. Sometimes the overall SO performance was rated far more successful by the OU than the score from the indicators would indicate. Occasionally, SOs scored well on the table but the OU reported in their narratives that performance was poor.

Of all the SOs reviewed by PPC, only Moldova – 117-0230 Local Democratic Institutions More Effective, Responsive and Accountable (Score 1.67) responded well, resulting in one of the best SO Performance Narratives analyzed. All five of the indicators were mentioned in the text and there was some discussion of the impact of activities on accomplishing the goals of the SO.

The analysis also pointed to other areas of concern. An inordinate number of SOs did not update targets yearly as suggested by the fact that the “Actual” in a given year repeatedly exceeded the next year’s “Target”.<sup>1</sup> A strong message needs to go out to SO teams to adjust targets upward whenever current year accomplishments exceed (1) current targets by a wide margin, and (2) future targets by any amount.

Further investigating this issue, PPC evaluated those SOs that had at least two indicators and three or more years of targets. Of the 31 SOs that made up the top 10% of highest performing SOs, 13 were excluded for not having three or more years of targets and actuals. Ten of the remaining 18 fit the pattern above by having indicators where actual data exceeded the next year’s target. It is therefore apparent that targets are not being reviewed and updated and are contributing to SOs receiving inordinately high performance scores. Two options for addressing this problem are a) increase the upper end of the “Met targets” range (currently 0.95 to 1.05) to 1.2 or 1.5 as a means to standardize the scoring for those SOs with very low targets, or b) develop a process for yearly evaluation and updating of targets, so that the Agency can ensure targets are realistic.

Another problem was interpreting the direction of progress both with direct data and with indexes. With either, it is necessary to know the scoring system or direction for progress prior to any analysis by PPC. In some instances, upward progress reflects improvement, but in others, a decreasing data value represents improvement. At the time this process was developed, PPC had not anticipated this issue. For the coming year, the operating units will need to clarify what

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<sup>1</sup> Example:

Indicator	2001 target	2001 actual	2002 target	2002 actual	2003 target	2003 actual
Baskets woven each year	200	531	300	856	400	1042

“improvement” means for each indicator and the Agency has provided clearer guidance on this issue.

An issue raised by the Africa Bureau indicates that missions may not know what indicators to report. For example, Malawi received a .4 for their DG performance score, derived from an indicator that reported nationally on the percent of citizens participating in the rule of law. The narrative, however, notes that though nationally 12% of the citizens participate in the rule of law, in the areas where USAID programs were implemented, 38% participated in the rule of law. A better measure of OU performance would have been to report the 38%. By not doing this, the performance data and weight in the data table generated a very low score for this well-performing program. PPC may have to make individual adjustments to correct for these kinds of errors.

A more challenging issue was identified by Africa Bureau: multidimensional SOs. In the environment sector, many missions have placed the environment programs in the EG/AG SOs. The environment program may or may not be described in the text, but most of the indicators reported in the data table are EG or AG indicators, not ENV. Consequently, the score is reflective of the EG or AG sector, not the environmental sector’s performance. PPC conducted an analysis of SO performance by sector this year, in order to attempt to better understand the relative costs of SOs in different sectors. For this analysis, PPC used narrative information from the AR to judge which sector a SO fit best within. The results of this analysis are included in an annex to this document.

In some missions, e.g., Uganda and Afghanistan, the health and education sectors have been combined into an integrated SO. In one case, the SO performance score (.90) is an average of three health indicators and three education indicators. Separating out the education indicators, each one scored over expectations while the health indicators all under performed. Consequently, both sectors are not accurately rated.

Africa also identified these two very significant issues:

1. **TARGETS:** How high is the bar set and how does this influence the scores? In the conflict sector, for example, Somalia set high targets and was achieving concrete results on the ground in a difficult environment, with scant resources. Somalia’s score was similar to that of another mission that was also working on conflict, with a large amount of resources and achieving less significant results which were not necessarily directly related to mitigating conflict. The two scores would suggest that the SOs were performing equally. They are not.
2. **CHOICE OF INDICATORS:** The guidance states that a mission needs to choose indicators appropriate for the actual stage of the SO (i.e., input/process indicators at the beginning, outcome indicators at the mid-term, SO level and impact/results indicators for mature/closeout SOs) and weight them accordingly. In a number of cases, mature SOs reported on process/input indicators and as a result achieved their targets and scored well. However, these were criticized by the technical teams for not reporting on results. In these cases missions will be asked to re-submit their SO performance scores.

Portions of the AR are public documents, and thus the incentive to openly discuss challenges and failures is very low. Consequently, many SO reports understandably focus only on the successes of the program. However, the technical reviews revealed that many programs were far more complex than the text or table indicated, and that many times the unsuccessful parts of the programs were simply omitted. PPC has designated certain portions of the AR as not for public consumption in hopes that this would increase the candor of discussions, but so far it seems simply as if operating units are reluctant to discuss “bad news.”

### **Best Practices for Missions**

Bureau reviews of AR submissions have generated the following suggestions as best practices for the missions.

- Missions should hold meetings with all writers (if they are not already doing so) to emphasize content and the importance of following guidance.
- Bureau should emphasize the importance of the guidance, the Freedomi model, and the editing guidance as aids to producing the AR. These sections should be made available to all those who are writing CBJ sections.

### **Uses of the Annual Report in Washington**

The Annual Report initiates the budget process that ultimately results in the resources that the Operating Unit receives, and clearly this is the primary way in which Washington uses Annual Report information. Nonetheless, the AR is used for many other purposes and what follows is a list of the various ways the Annual Report submissions have been used this year by Washington.

- AFR has evaluated ARs for overall trends in the EG, ED, DG, ENV and AG sectors; to discuss how USAID programs are contributing to solving the problems in the region, with examples taken from the technical reviews.
- AFR has created a summary document to serve the Front Office as handy information on sector trends. It is useful for public appearances, speeches, general information, etc.
- The document will also serve senior management when end-of-year funding decisions might arise, i.e. if there is money available to “plus up” some SOs; findings from the technical reviews can help guide the decisions.
- The reports from the technical review teams that have been prepared for each SO are being shared with each mission, via the Country Desk Officers, who have been involved in the reviews. There are recommendations about measurements that seem in need of attention, such as SOs that scored low because of mistakes in the table (Malawi example); missions that haven’t adjusted targets over the life of the SO; missions that have set the bar very low; commendations for outstanding programs and outstanding reports.
- AFR used the performance scores in the Bureau’s BPBS strategic budgeting model but gave it a relatively low weighting. PPC is reviewing this further in the context of strategic budgeting in conjunction with other bureau budgeting models.

- AFR/AA requested that a letter be prepared for her signature for each country that addresses the specific issues raised by the Mission Director. In addition, AFR asked the CDOs to list the issues raised by each mission. These were put into a chart which Division Chiefs analyzed. For the serious common problems (budget, staffing, OE, security), Office Directors or Division Chiefs prepared a Bureau response (cleared by Ms Newman) and CDOs were asked to use these common paragraphs, to ensure that the messages sent to the Mission Directors was a standard one.
- Gathering together in one space the CDOS, the Program Office country backstops, AFR/SD technical officers and colleagues in DCHA or EGAT was important. The environment and education teams both commented that it is important to get together as a team to look at the programs in the region and doing it for the AR reviews was about the only time it happened.
- ANE reviewed all the ARs focusing on the (1) quantitative (using the indicators section) and (2) qualitative (using the narrative section) assessment of a mission's reported progress. It was useful to see how missions used (or did not use) the indicators to clearly support progress reported in the narrative section. This was probably a better way to gauge program results rather than last year's met/not met/exceeded self-ratings. For some (e.g. West Bank and Gaza) the narrative section was effectively used to explain why the indicators were not met due to external factors outside the mission's control.
- ANE resolved to acknowledge the missions' work, quickly review submission contents, and respond to any issues raised in the cover memo. ANE did respond to the issues raised in the cover memo though typically there is nothing unexpected raised. Issues raised were either already being flagged or addressed. (Perhaps the fact that the AR is such a widely read document leads missions to be conservative about what they raise as issues in the cover memo.)
- PPC used the data in the Performance Measures Table for the PART of the LAC CSH and DA programs. Those PART scores were raised from "results not demonstrated" to "moderately effective." USAID is now one of the most highly rated agencies in the Federal Government on program performance and efficiency.
- PPC used the data in the Performance Measures Table to create efficiency measures for each PARTed program per OMB requirements and this contributed to the Agency moving from red to yellow on status on the PMA scorecard. This is a strong message to OMB and the Hill about the way USAID implements and manages its programs.
- PPC is also using the data in the Performance Measures Table in the creation of the Annual Performance Budget with State Department where State and USAID will be jointly describing our annual performance objectives.
- PPC is currently analyzing the workforce and cost data to compare it against performance for OMB.

The reviews were immensely useful to inform Washington bureaus what has been achieved over the past year. The reviews helped bureaus understand and be current on the field programs, both bilaterally and in a regional/global context; helped bureaus identify technical issues that need USAID/W support and attention; provided sector performance information for the Bureau program and budget submission (BPBS) process; and most importantly, allowed bureaus to provide organized feedback to the Missions.

## Proposed Changes for the Coming year

*Format.* The Agency does not anticipate a change for this year of the magnitude of emphasis coding, but the changes proposed may be challenging nonetheless. The AR application has been restructured to reflect the SO v. Program structure of the Agency, rather than the CBJ v. “All Else” structure that has prevailed in the past. The motivation is two-fold. First, the existing organization<sup>2</sup> resulted in gaps in reporting for SOs that are either program supported objectives or new SOs for which no SO level report is required. To address this first issue, PPC added an introductory section to the application that feeds the other sections. The OU would fill out this table to populate other tables and would create one table providing an SO profile. As a result, rather than organizing the application according to the documents it produces, it is organized according to SO level v. OU level information.

The second motivation for this change reflects emerging thinking on the whole agency strategic planning process. As the Mission Performance Plan (MPP) serves the State Department as a rolling three year strategic planning tool, so too will the AR. Envisioning this change, the existing CBJ sections could possibly perform triple duty: justification, notification, and strategic planning.

*Washington/Mission Communication.* One of the most frustrating factors in the AR this year was the transmission challenge. Each mission’s unique IT setups, complicated by firewalls and the like, resulted in missions experiencing excessive difficulties in sending their data back to Washington. This was further complicated by the fact that Washington required multiple submissions due to budgetary factors. Unfortunately, this issue of multiple submissions is likely a growing issue and the Agency’s desire for one annual submission may be unrealistic. Not only will requests grow for information throughout the budget cycle, but it is likely that performance information will need to be collected throughout the year to meet OMB requirements. The only way USAID can hope to address the complications of this is reality is through a user-friendly transmission process that allows data to be sent to Washington when it becomes available, rather than once a year. This is called “web services” and we are using it this year. With web services, as new features are added to the system, and problems are corrected, application updates will automatically be reliably distributed to missions.

Web services solves both the data transmission and the application distribution problems. Putting aside the technical details, the new scheme will leave the format of the application much as it is now while application updates and database submissions will occur in an automated manner over the world wide web. Whenever a mission user starts up the application, it will check for a new version and download it if necessary. Similarly, the person responsible for the data will press a “submit” button and will receive confirmation that the data is received in

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<sup>2</sup> As it stands, the narrative portion of the application is split into two tabs that go with the two main documents the AR produces: the CBJ and the performance narratives. Each of these tabs have buttons and other tabs that allow you to enter things at the SO or country level. This arrangement makes it clear whether you are working on the CBJ or the annual report. The problem is it is difficult to see all the information you are entering for an SO or the OU in one place. If someone is working on a CBJ datasheet for an SO, the place to enter the performance goal is five mouse clicks away – assuming they know the five places to click. Organizing the application by the documents it produces is inefficient.

Washington about a minute later. By moving to a web-based submission, missions will not be required to submit the AR as an email attachment, as in past years.

*Submission Timing.* Automating database submissions will improve communication between the missions and the regional bureaus, but it will do nothing to improve communication between these bureaus and PPC. Generally, PPC has an interest in bringing together information from the Agency as a whole but PPC does not necessarily care how the missions go about collecting that information. For example, bureaus often request updated budget data from their missions at different times, and this kind of decentralization is appropriate. The problem is that, in the past, each bureau would have to go through PPC to coordinate all this. We would like to adapt the system to allow bureau personnel to control what is being submitted within the application itself, without the intervention of PPC or the contractor. Control of what data is brought into the system in Washington would then be decentralized and managed at the bureau level in a manner similar to the way logins are managed now.

One consideration in increasing the functionality of the database is the need for more widespread distribution of the application within missions and in Washington. This would facilitate completion and submission of data elements completed (such as coding) by individuals not regularly involved in the AR production.

*Coding.* Agency thinking on coding is still in debate. Issues include who has responsibility for tracking the levels to which the codes contribute, how to increase compliance, and for what years coding is needed. The global health sector council wants to remove the 6 codes for HIV/AIDS in response to the State HIV/AIDS coordinator who will be asking for 16 AIDS codes via a cuff-record system four times a year.

*Control levels.* To facilitate the dissemination of information, PPC is considering the creation of a control levels table for use in Washington that would allow bureaus to receive control levels and match them to their countries. The web services facility may be useful in this process, because levels can become visible in the missions as they are updated in Washington.

While not all of the changes proposed for this year may be possible, it is important for the Agency to try and make the ones most critical to its continued success with our partners at OMB and in the Congress.

*SO to Agency Goal Certification* In order to satisfy an IG audit recommendation this year, PPC asked mission directors to certify in writing that their SOs were properly linked to the appropriate Agency goals. This certification requirement will become part of the annual report application so that when the mission directors sign the (cover memo, SO Profile Table), it is clear that (s)he is also certifying the correctness of the linkages.

*Multidimensional SOs* To meet an IG audit recommendation to the ADS (201.3.7.1), which requires that SOs, such as cross-cutting or Program Support Objectives (PSO), (which by definition cannot be linked to one principal Agency goal) may be linked to multiple goals in consultation with the bureau's DP offices and PPC/SPP. While most SOs will likely continue to

be one-dimensional, PPC will make a provision for multiple goal specification in the Annual Report application.

*New Tables* In addition to the previously mentioned SO Profile Table, PPC has been approached about creating tables for collecting information on small and disadvantaged business utilization and faith-based partnerships. Although these are not typically thought of as Annual Report-type information, including them would be consistent with the Administrator's mandate to streamline reporting.

*IDPs* PPC, in coordination with DCHA and other bureaus, will take the lead in reporting on overall USAID assistance to IDPs and ensure that countries are providing adequate responses to the problem. For a comprehensive monitoring of assistance to IDPs, all operating units with programs supporting IDPs will be required to include, as part of their Annual Report submission, a brief report on activities. Further guidance for this report must be developed.

Attachment I: Proposed SO profile table.

SO No.	SO Name	User friendly SO Name	Status	Primary Performance Goal Linkage	Secondary Performance Goal Linkage	Pillar	Year of Initial Obligation	Last year NOA will be requested
000-002	Increased Sustainable Use and Management of Natural Resources	Natural Resources	Closed out	Partnerships, initiatives, and implemented international treaties and agreements that protect the environment and promote efficient energy use and resource management		EGAT	1998	2003
000-006	Sustainable Increases in Rural Incomes	Rural Income Expansion	Last year of exp. FY '04	Enhanced food security and agricultural development		EGAT	1998	2004
000-007	Increased Civic Involvement in the Rule of Law	Rule of Law	Last year of exp. FY '05	Measures adopted to develop transparent and accountable democratic institutions, laws, and economic and political processes and practices		DCHA	1998	2005
000-008	Behaviors that Reduce Fertility, Risk of HIV/AIDS and Promote Child Health Improved	AIDS and Family Health	Continuing	Improved global health, including child, maternal, and reproductive health, and the reduction of abortion and disease, especially HIV/AIDS, malaria, and tuberculosis.		GH	2002	2007
000-009	Increased Attainment of Basic Education among Girls in Selected Rural Provinces	Basic Education	New for FY 2006	Broader access to quality education with emphasis on primary school completion	Counter Terrorism	EGAT	2006	2012
000-010	Training	Training	Program Support Obj.	Contributes to all Performance Goals		NA	2003	2012
000-xxx	Strengthened Institutions for Democracy	Civil Society	New for FY 2007	Measures adopted to develop transparent and accountable democratic institutions, laws, and economic and political processes and practices		EGAT	2007	2012

## Attachment II: Selected Comments on the AR – We hear you!

Please see the attached Microsoft excel file for a detailed listing of comments with either definitive responses or a proposed course of action. Unfortunately, there were a few comments that we weren't quite sure how to respond to. They don't exactly put the AR process in the best light, but we can't dismiss them:

1. The AR process can be very disappointing in that after all of the planning and discussions, missions still don't get the full resources needed due to the Agency's "unforeseen" competing priorities. And, once funding is received, it has to be turned-in or given-up for these unforeseen priorities.
2. I would like to see a system that didn't make me feel like I was working in a system that was designed for someone else to use.
3. Forward planning of budgets is necessary but not sure about the narrative section, which tends to be the most labored part in the Mission, has much bearing on budget allocation process. There is no feedback.
4. The Guidance was more confusing than the actual process/application.
5. I despise the Annual Report but I know that the CBJ section is important. From an efficiency perspective, I am appalled that the Agency spends so much time on this. Frankly, I am certain that the State Department's Mission Performance Plan is more efficient. Yes, it is a hideous document to read, but that is not its purpose. Its sole purpose is to fulfill GPRA requirements efficiently so the State Dept can get back to doing its real job. USAID's Annual Report is a bit easier to read but is a hideous document to write. And who is really reading it? Sure, the CBJ cover memo from the Mission Director and the Resource Request get read. I always laugh when Missions complain that there's no room in the Annual Report to "tell their story" – which presumes that some powerful benefactor in Washington actually has time to wade through pages of droning text and then has the resources to reward successful Missions accordingly. PLEEZ! If you have something to say, it better be in your cover memo. If you're dying to tell a story, use one of the success story formats – don't bury it in some putrid Performance Narrative. Of course, even if you are successful, that doesn't mean the Agency has the resources to reward your Mission Performance Budgeting, which pretends that the Agency has extra resources to disperse and that the Agency is able to do so in a timely manner in accordance to U.S. foreign policy interests. The reality is we don't have extra resources, we don't review performance until months after the AR is submitted (i.e., governments can change- do we want to punish newly elected governments?) and sometimes the USG doesn't give a crock about Performance if its interests are at stake (Call me crazy but I gotta feeling that the funds will keep flowing to some conflicted countries, regardless of whether they meet their targets). So can we do some streamlining here? After all, most of us didn't join the Agency to fulfill our report writing fantasy- we joined to make the world a better place! I fail to see how we are doing so by the ever-expanding reporting requirements (e.g., the OPIN reports and other ad hoc requests from Washington). Let's quit pretending we need to have every indicator accompanied by pages of droning text. The MPP proves that a government agency can get along with a lot less. Let's jettison the Performance Narrative, Presidential Initiatives, and anything else we can do without and concentrate on getting some real results.

CLEARANCE PAGE FOR INFORMATION MEMORANDUM regarding  
After-action review of the FY 2004 Annual Reports.

Clearances:

PPC/SPP:JLombardo \_\_\_\_\_ Date \_\_\_\_\_

ES:Douglas Aller \_\_\_\_\_ Date \_\_\_\_\_

PPC/SPP:PHenderson:ph:25672:07/16/04:PShared/2004/September/04 post  
mortem6-24.doc and 04 post mortem6-24-attachment.doc