

# FINAL REPORT

## PILOT PROGRAM TO INTRODUCE PROGRAM PERFORMANCE INFORMATION SYSTEMS INTO USAID MISSIONS — PHASE 1

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***Submitted to:***

Gerald Britan  
PPC/CDIE  
Agency for International Development  
Washington, D.C. 20523

### ***MANAGEMENT SYSTEMS INTERNATIONAL***

600 Water Street S.W., NBU 7-7  
Washington, D.C. 20024

telephone: (202) 484-7170  
telex: 4990821MANSY fax: (202) 488-0754

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## EXECUTIVE SUMMARY

In 1989 CDIE began working jointly with Regional Bureaus to reorient A.I.D.'s management and evaluation towards a clearer emphasis on program performance and development results. This effort began with the development of CDIE's Program Management and Evaluation Pilot efforts with selected Missions in each region. These pilots were to involve: (1) initial program performance information needs assessments (to clarify program strategies, objectives, indicators, and information needs); (2) design and implementation of appropriate program performance monitoring, reporting, and evaluation systems; and (3) assistance in applying program performance information in ongoing management systems and decisions. Phase 1 of this activity included program performance needs assessments and the preliminary design of information systems in the seven pilot countries selected by CDIE. During this same period, Management Systems International (which served as CDIE contractor for this exercise) performed similar activities in 12 additional Missions funded by their Regional Bureaus or by Mission PD&S funds.

The Scope of Work for each assignment called for a team, usually composed of a management specialist and one or more indicator specialists, to: (1) develop a conceptual framework clarifying each Mission's development objectives; (2) develop criteria for selecting program and project performance indicators; (3) provide guidance on the development of project information systems; (4) suggest an initial set of program level indicators, analyses and reporting procedures; (5) provide advice on the management implications of the systems proposed; and (6) indicate what additional outside assistance might be needed to implement successfully the proposed system.

The pilots were expected to yield important lessons about how program performance information can be best collected and most effectively used, and were to serve as models for A.I.D. Missions throughout the world. The pilot efforts were also expected to generate immediately useful information for Mission, Bureau, and senior management decision-making. Finally, the exercise was expected to have a number of broader implications for Agency-wide leadership in program planning and accountability.

The report includes discussion of four planning tools developed for this exercise and presents 31 specific "lessons learned" with regard to the following issues:

- Developing strategic objectives and indicators;
- Setting targets for program impact measurement;
- Enhancing PPIS effectiveness;
- Management implications of the PPIS system; and
- Process considerations.

The report concludes with a discussion of several broad implications of the exercise. It suggests, based on initial success, that the PPIS process has the potential to facilitate a more mature and results-oriented dialogue between A.I.D./W and its Missions and to provide a more substantive basis for reporting to Congress and the American people. At least as importantly, initial evidence suggests that these benefits can be realized with enthusiastic participation rather than resistance from USAID Missions and can serve as structured opportunities for improved program management and motivation.

The report also summarizes the difficulties that were encountered in several Missions and concludes that increased program transparency, accountability for higher level results, and consolidation of programmatic activities were each painful processes for many of those involved. It is also argued, however, that willingness by A.I.D./W to treat Missions as serious partners in these processes appeared to go a long way towards mitigating these concerns.

In the longer run, the report argues that it would be appropriate for A.I.D./W to do more comparative assessment of program performance across sectors and countries, and to allocate discretionary resources accordingly. In the short run, however, primary emphasis should be placed on encouraging Missions to consolidate their programs and to set up suitable performance assessment systems; and Missions should be rewarded or punished based on their effectiveness in doing so. Most Missions see the benefit of these directions and will actively support them. Clear policy statements from Washington on a limited number of priorities could serve to guide this consolidation process. This effort alone, the report suggests, would have the effect of rationalizing substantially A.I.D.'s current portfolio and performance reporting.

## I. INTRODUCTION

Recently, the A.I.D. Administrator, Regional Bureaus, Congress, and outside interest groups have all expressed increasing concern about the need to reorient A.I.D.'s management and evaluation towards a clearer emphasis on program performance and development results. This concern is reflected in ongoing efforts by each of the Regional Bureaus to improve program and project evaluation guidance, to develop program performance indicators, to assist Missions in implementing program-level management and evaluation systems, and to better apply program performance information in management decision-making.

In cooperation with the Regional Bureaus, CDIE undertook to assist these efforts by developing broader Program Management and Evaluation Pilot Systems with selected Missions in each region. These pilots were to involve: (1) initial program performance information needs assessments (to clarify program strategies, objectives, indicators, and information needs); (2) design and implementation of appropriate program performance monitoring, reporting, and evaluation systems; and (3) assistance in applying program performance information in ongoing management systems and decisions. The Program Performance Information Pilots were to be implemented jointly, over an extended period, by Mission, Bureau, and CDIE staff, assisted by outside contractors experienced in program management and evaluation. Management Systems International (MSI) was selected by CDIE to provide this outside technical assistance.

Phase 1 of MSI's involvement in this activity included program performance needs assessments and preliminary design of information systems in the seven pilot countries selected by CDIE and in 12 additional Missions funded by their respective Bureaus or by Mission PD&S funds (see Annex 1 for list of Missions). In each of these cases, it was determined that an effort to clarify strategic objectives necessarily preceded efforts to improve program information systems. These refined statements of objectives accompanied by the associated indicators and data sources were, in virtually all cases, used as a basis for subsequent action plans, CDSSs and reporting systems. In the majority of cases, efforts to redefine a Mission's objectives in terms of a limited number of strategic objectives and to introduce accountability for higher-order objectives also raised issues of internal organization and management. In these cases, the intervention was modified somewhat to include direct attention to these issues.

More specifically, the Scope of Work for each assignment called for a team, usually composed of a management specialist and one or more indicator specialists, to: (1) develop a conceptual framework clarifying each Mission's development objectives; (2) develop criteria for selecting program and project performance indicators; (3) provide guidance on the development of project information systems; (4) suggest an initial set of program level indicators, analyses and reporting procedures; (5) provide advice on the management implications of the systems proposed; and (6) indicate what additional outside assistance might be needed to implement successfully the proposed system.

In carrying out the Scope of Work, the team:

- reviewed the Mission's major program documents (CDSS, action plan, sector strategy statements, etc.) in the context of priorities and guidance provided by AID/W;
- prepared and discussed ideas for possible objectives, indicators and data sources for current and anticipated Mission activities;
- explored with Mission management and other Mission personnel the substantive, organizational and operational implications of adopting a program perspective;
- conducted one or more workshops for Mission personnel; and
- suggested a set of next steps to be taken in implementing a program management and reporting system.

The pilots were expected to yield important lessons about how program performance information can be best collected and most effectively used, and were to serve as models for A.I.D. Missions throughout the world. The pilot efforts were also expected to generate immediately useful information for Mission, Bureau, and senior management decision-making. Finally, the exercise was expected to have a number of broader implications for Agency-wide leadership in program planning and accountability.

This report summarizes the results of MSI's experience in Phase 1 of this activity in 19 Missions, with particular reference to the seven Missions assisted by CDIE.

## II. METHODOLOGY

Four noteworthy methodological features characterize this series of pilot interventions. These include (1) development and use of consistent terminology for describing program objectives and information systems; (2) use of simple planning tools to clarify the relationship among program components; (3) application of basic principles of management information systems; and (4) use of participatory methods.

Initial work was normally completed during a 2-3 week TDY by a team of two or three people working closely with Mission management, program office personnel and each of the Missions' technical offices. Follow up work was done by the Mission itself, by a PSC hired by the Mission and/or by additional input from MSI financed by the Missions involved. The product, in each case, included an agreed set of program objectives and a set of indicators for monitoring performance against those objectives, and preliminary identification of appropriate data sources. Where time permitted, data sources were developed in detail for at least one program area and baseline data were compiled for key indicators. In each case, a report was prepared for use by Mission, Bureau and PPC personnel.

## **A. Consistent Terminology**

A.I.D. has little tradition of program level planning, management or reporting. As a result, the organization suffers from lack of a common vocabulary and set of concepts for discussing such matters. Fortunately, however, some of the agency's past systems and terminology (particularly those associated with the Logical Framework approach) lend themselves, with minor adaption, to the purpose.

The concepts which proved most essential for this exercise were "program", "strategic objectives", "country trends", "program performance indicators", "performance standards or targets", "performance monitoring", "program outputs", "linking studies" and "targets of opportunity". Each of these concepts as applied by the MSI and CDIE teams is defined below:

**"Program"**: A program is the sum of the project, non-project and policy dialogue actions undertaken by a Mission in pursuit of a given strategic objective.

**"Strategic Objectives"**: The 3 to 8 highest level objectives on which a Mission's activities can be expected to have a meaningful impact in the short to medium term.

**"Country Trends"**: Basic national, social, economic, financial, political and environmental trends which provide the context for, and ultimate object of, USAID activities.

**"Program Performance Indicators, (PPIs)"**: Criteria for determining or calibrating progress in the attainment of strategic objectives.

**"Performance Standards or Targets"**: Anticipated levels of accomplishment with respect to program performance indicators.

**"Performance Monitoring"**: A institutionalized system for collecting and reporting program performance data on a periodic (usually annual) basis.

**"Program Outputs"**: The major accomplishments a Mission is willing to assume direct responsibility for in its efforts to achieve its strategic objectives.<sup>1/</sup>

**"Linking Studies"**: The special studies sometimes needed to establish the relationship between program outputs and strategic objectives.

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<sup>1/</sup> In general, these accomplishments correspond to project purposes and/or major policy changes directly influenced by USAID activities. In some cases, however, it is also appropriate to include selected project outputs or groups of outputs.

"Targets of Opportunity": Those objectives included in a Mission's portfolio which do not contribute in a direct or measurable way to the attainment of the Mission's designated strategic objectives but which are nevertheless retained in the portfolio for historical, political or developmental reasons.

While the use of terminology continues to differ somewhat by Bureau, improvements in the clarity and consistency of the terminology associated with program performance assessment has been one of the significant accomplishments and methodological features of the current pilot exercise.

## B. Simple Planning Tools

Initial experience suggested the importance and value of employing several simple planning tools to facilitate understanding, decision-making and communication of Mission strategies and performance criteria. All consultant teams were thoroughly familiar with these tools and undertook to transfer to Mission personnel the ability to use them for their own purposes. The most important of these tools are discussed briefly in the following paragraphs and include objective trees, program logframes, project purpose inventories, and performance indicator frameworks. Examples of each of these tools are included as Annex 2 of this document.

Objective Trees: Objective trees are visual displays of a Mission's basic programs presented in the form of hierarchical cause/effect relationships. In this representation, linkages among components of the Mission's portfolio are established in a representation which facilitates discussion of overall strategy and portfolio consolidation. Successive levels of the tree correspond to Mission activities, program outputs, strategic objectives, and CDSS goals and sub-goals. This tool can be taught to a group in less than 10 minutes and greatly improves the precision of subsequent discussion about objectives, strategies and indicators. Discovery of a simple software package (Flowcharting II+) for preparing objective trees added considerably to the tool's utility. In most cases, this software was provided to participating Missions along with instruction in its use.

Program Logframes: Although developed as a project level tool, the logframe has proven to be equally applicable at the program level. Used in this way, each of a Mission's strategic objectives becomes the "purpose level objective" of a program logframe with the "output level" defining project, non-project and policy dialogue outcomes intended to foster achievement of this objective. Logframe for the project and non-project activities that make up a given program continue to have their own logframes with the relevant strategic objective serving as the goal for each of these logframes. Most Missions have several individuals well schooled in logframe methods and appear to find the use of program logframes to be very helpful in articulating and integrating their program strategies. As with objective trees, recent development of simple

and inexpensive software for logframe preparation proved to facilitate considerably the use of this tool at the Mission level.

Project Purpose Inventories: In preparing program overviews and performance indicators it became clear that certain activities are related much more directly and proximately than others to the strategic objectives they are intended to support. Institutional strengthening and basic research activities, for example, tend to be much less immediately related to most strategic objectives than are policy reform and basic service delivery efforts. To facilitate understanding of these relationships, a simple format was developed for displaying the proximity of each of a program's constituent activities to the strategic objective of that program. As with the other tools noted above, criteria for the use of this tool included the ability to teach it to a group in a very brief period of time and its immediate utility for facilitating discussion, decision-making and external reporting.

Performance Indicator Framework: The most efficient manner for developing and presenting the set of indicators and data sources associated with a Mission's program level objectives proved to be a simple three column framework. The framework includes overall Mission goals, strategic objectives and program outputs, and, for each of these objectives, the relevant indicators, targets and data sources. These tables served as particularly useful summaries of program objectives and information needs.

### C. Application of Basic MIS Principles

Eight basic MIS principles were reflected in the methods and approaches applied. These principles and their implications include the following:

Incorporate program performance information into existing reporting, review, and decision-making systems: Other than project evaluations, it was usually possible to identify few if any regular Mission procedures for collecting, compiling, or reviewing data above the project output level or for assessing progress with respect to the strategic objectives outlined in CDSSs and Action Plans. At present, for example, portfolio reviews apparently focus largely on implementation progress, while Action Plan preparation and other performance reporting are usually based on an ad hoc assemblage of available information and indicators. Most project evaluations to date have focused on "process" issues, and those that have focused on impact have typically had to collect primary data for that purpose.

The team observed that there are several occasions when it would be possible to review program information systematically in relation to individual projects, program areas, or entire portfolios. These include:

- responses to individual project evaluations and audits;
- semi-annual portfolio reviews;

- preparation and review of CDSSs and Action Plans;
- preparation for periodic reviews of the overall A.I.D. program with the host government;
- periodic staffing analyses; and
- annual performance reporting proposed by each of the Regional Bureaus.

The ultimate goal would be to make program performance information as routinely available and easily useable by the Mission as financial data is now.

Only collect performance information that is likely to be used and only when the costs of data collection and analysis are exceeded by the expected benefits: Information has a cost in time, money, and lost opportunities. Information should therefore only be collected if there is a reasonable prospect that it will affect Mission, Bureau, or host government decisions, or if it is required for external reporting. More information is not necessarily better, and every opportunity should be taken to eliminate unnecessary data collection and analysis activities. What is critical is getting the right information, about the right issues, to the right people, at the right time for decision-making.

Keep program performance information as simple as possible: Collecting information on dozens of indicators is usually much less useful than determining which specific indicators are most relevant and important. Only rarely should more than one or two indicators be needed for analyzing any particular program element. Measures should also be kept as straight-forward as possible and indicators should not be defined any more precisely than necessary. While quantitative, time series data are often useful in firmly establishing trends, qualitative or categorical comparisons will often provide a sufficient basis for decision-making and will sometimes even be preferable.

Use existing information sources as much as possible: Available secondary data (from censuses, routine surveys, administrative records, economic and trade statistics, etc.) often provide convincing program performance measures, particularly at the strategic objective and goal levels. Even at the program output level, however, ongoing surveys and routine administrative records can provide a useful basis for many program indicators.

Use project mechanisms to collect and analyze most additional program performance information: Projects are usually the most appropriate setting for a variety of performance information activities. Indeed, improving the data collection and analysis capabilities of indigenous organizations is often itself a major project purpose. Special studies can also be conducted through such project funded organizations or M&E units. In general, project-funded data collection and analysis activities should be sufficient for most routine performance reporting, at least at the program output level. Project

mechanisms can also sometimes be used to collect and analyze information even at the strategic objective and goal levels.

Place as much emphasis on analyzing and interpreting information as on data collection: Several Missions already devote considerable energy to collecting a wide range of project and program data, but spend considerably less time analyzing that data or using it as a basis for decision-making. Unless attention is clearly focused on interpreting and using data, however, any effort to improve program performance information is likely to be greeted skeptically. At the same time, data analysis should be kept as simple as possible. Performance information does not need to prove or disprove scientific hypotheses, but simply to validate links between A.I.D.'s activities and development trends. Such analysis usually involves simple comparisons and straight-forward tracking of performance indicators over time, although more detailed or rigorous analyses may occasionally be required. Small-scale special studies can often play a particularly useful role in establishing parameters and clarifying, expanding, or interpreting routinely available performance information. Such studies are also often the only reasonable way of examining the why questions associated with program results.

Clearly delineate program management and evaluation roles and responsibilities: Program performance information will never be routinely available for reporting and decision-making unless roles and responsibilities for obtaining, analyzing and using this information are clearly delineated. This includes a defined locus for coordinating performance information activities (most likely the Program Office) and clearly defined responsibilities for Office Directors, Project Managers, and other project personnel.

Take advantage of opportunities to strengthen indigenous program performance information capabilities: Much of the program performance information that is useful to Missions will also be useful to indigenous organizations (public or private) that are developing, implementing, or managing related development activities. Indeed, much of the program performance information that will be used by the Mission will likely be collected by such organizations. Where appropriate, the Mission should specifically target assistance to improving these organizations' data collection and analysis capabilities and their ability to use program performance information in their internal management decision-making.

#### D. Participatory Methods

For a variety of reasons, participatory methods were extensively employed in this pilot effort and appeared to be central to its success and considerable popularity. Indeed, in many Missions, the process appeared to be at least as important as the specific content of the objectives, indicators and data sources agreed upon.

Interventions were designed to ensure a prominent role for Mission management but also to provide for substantial input and consensus from all parts of the Mission. Since, by its nature, the exercise focused on

clarifying a Mission's higher level objectives and integrating its various activities, it lent itself easily to a variety of team building and other management purposes. Meetings and workshops with the entire Mission staff and with a variety of working groups within the Mission helped to realize these secondary objectives, minimize opposition, enhance the quality of the products produced, and build commitment to following through with the system.

The interventions were also designed to improve collaboration and communication between Regional Bureaus and the Missions. To this end, Regional Bureau personnel participated as full team members in approximately half of the TDYs conducted and participated in active briefings with MSI personnel before and after each TDY.

### III. LESSONS LEARNED

The conclusions presented in this synthesis are primarily drawn from the seven cases included in the CDIE directed analysis described above. MSI has however conducted similar exercises with twelve more A.I.D. programs around the world during 1989-90 and some additional findings can be attributed to this larger body of knowledge.

Major points can be categorized into overall findings, the management implications of translating program management and information systems into reality, and process considerations.

#### A. Developing Strategic Objectives and Indicators

- A.1. Considerable agreement is emerging between Bureaus with regard to PPIS methodology. Important differences exist, however, with regard to the role of the Bureau in establishing objectives and the nature of the performance review process. Some differences in terminology also exist.
- A.2. Missions frequently lack clearly articulated objectives at the program level. In such cases, it is necessary to conduct a preliminary exercise to seek clarity and agreement on objectives prior to initiating detailed discussion of indicators and data sources.
- A.3. The maturity of the portfolio (the time that A.I.D. has been working in the targeted sectors) influences the kinds of objectives and indicators which can be selected at the program level. In the early stages of an initiative, such as private sector policy reform, progress may not be measurable at an impact level. Intermediate steps may be necessary to allow the reform measures to produce the intended results. In such cases, objectives should be set in the program performance process to reflect intended medium and long term results, while making provision for appropriate

indicators which can measure progress at regular intervals along the way.

- A.4. A discrete and relatively limited number of key program areas encompass most of the activity currently undertaken by most Missions. This suggests that substantial program aggregation would occur without major need for the type of top-down imposition of objectives that has engendered so much resistance in the past. On the other hand, central support for developing consistent ways of measuring performance against these objectives could potentially be of considerable value.
- A.5. There appear to be distinct and predictable differences between the types of objectives appropriately associated with multi-country programs (e.g. Regional programs in the Caribbean); large programs being implemented in small countries (e.g. Honduras); small programs in large countries (e.g. India); small programs in small countries (e.g. Tunisia); and regional programs with interventions in a number of countries (e.g. ROCAP Programs and continent-wide scholarship or research programs in Latin America and Africa).
- A.6. There is a constant need to examine program performance in the light of country realities and host government priorities. Effective systems are not designed to be "inward" looking but must involve dialogue (particularly in selection of strategic objectives and indicators with host governments, contractors and collaborating organizations).
- A.7. Institutional capacity-building objectives are usually intermediate objectives of program impact and do not present program impact measurement opportunities unless they are linked to institutional performance in the sector they serve.
- A.8. In general, country trend data are only suitable to measure A.I.D. program impact when A.I.D. is the only or major donor in a particular sector and has contributed enough resources to attribute success to the development program. Country trend indicators should normally be measured independently of program performance indicators to explain the context in which the A.I.D. program operates. They are measures of the dimension of the "problem" being addressed or of overall development progress.
- A.9. Once program performance objectives and indicators are agreed on, the causal link with non-project and projectized activities must be made explicit to test the "reality" of the objectives selected. Financial resource allocation to specific objectives must also be taken into account to see if program funding is commensurate with, and adequately linked to, major objectives.

## **B. Setting Targets for Program Impact Measurement**

- B.1. The development of an Action Plan with a program objective tree, indicators and data sources presents the opportunity to establish a performance baseline against which future progress can be measured. Encouraging the incorporation of near and medium-term targets makes the preparation of this baseline less academic and more immediately relevant.
- B.2. Incorporation of gender disaggregated measurement is desirable and normally feasible at program and project levels and is frequently feasible at country levels. Asking for such data can be a catalyst toward improving national statistical analysis of gender differences in development progress. At the project level, gender disaggregated data can be collected through regular project monitoring. In some cases, special studies may be needed to establish gender-related linkages. Yearly targets can then be set to increase attention to issues of women's participation as part of the PPIS.
- B.3. Most Missions are using financial management data generated by MACS or analogous systems as a means of measuring project performance. Increased availability of MACS will facilitate this management use.
- B.4. Once baselines are developed or enhanced and targets are established, analysis of results can become a regular part of portfolio review. The analysis portion of the data collection process should be planned to maximize the utility of the monitoring system in program decision-making.

## **C. Enhancing PPIS Effectiveness**

- C.1. The use of consistent terminology and simple tools contributes to the quality of individual PPI systems and to the quality of the dialogue between Washington and the field.
- C.2. In some cases, special studies to show impact linkages may be needed to demonstrate relationships and help sort out alternatives.
- C.3. In some cases, a "policy change inventory" may be needed to ensure consistency in a Mission's policy dialogue efforts and to provide a watching brief on important facilitative conditions that contribute to a number of sectoral objectives.

- C.4. A PPIS approach may also be useful in tracking "cross-cutting" development priorities such as privatization, women's participation, environmental conservation and technology transfer.
- C.5. The use of PPI systems for purposes of performance budgeting has several potential pitfalls. If not sensitively applied, such uses result in the setting of unambitious objectives and an effort by the field to use the system to defend performance rather than critically appraise it.

**D. Management Implications of the PPIS System**

- D.1. PPI systems work best when someone has been assigned to collect data and participate in analysis on a regular basis. Several Missions (Tunisia, Bolivia, Indonesia, Pakistan) have allocated staff resources to perform this function through the creation of PSC positions to assist the Program Office in this function.
- D.2. Clearly defined roles and responsibilities within the Mission, host government and collaborating organizations are needed in order for the system to operate well over time and reduce dependence on outside assistance.
- D.3. When implemented fully, program management systems have significant implications for internal organization and procedures at the Mission level.
- D.4. Opportunities to incorporate PPI data collection into ongoing activities are present regularly and may be used to reduce the resources needed to make the system work. These opportunities include: individual project evaluations and audits, six month portfolio reviews, Action Plan preparation and review, host government portfolio reviews with the USAID, analyses of Mission staffing requirements and annual performance reporting to Bureaus. Existing systems can be re-examined to include program performance measurement requirements. Scopes of work for new designs and evaluations can include or be expanded to cover program performance data collection. This can reduce the need for costly special studies.
- D.5. Development of host government data collection and utilization capacity can be integrated into new activities or grant conditions by incorporating into those efforts specific resources and responsibilities for strengthening indigenous organizations' systems, procedures and skills in data collection and analysis.

- D.6. Incorporation of program performance measurement into senior management EERs will increase regular attention to effective monitoring.
- D.7. Bureau attention and feedback on PPI reporting will contribute significantly to better decision-making and a better use of data at all levels.

E. Process Considerations

- E.1. PPIS exercises represent relatively acceptable and constructive ways to improve strategic planning, program management and external reporting at the Mission level.
- E.2. Outside intervention proved extremely useful in helping Missions agree on objectives, indicators and data sources; in communicating Bureau priorities; in improving comparability among Mission programs; and in reviewing data collection and analysis options. This intervention was very well received by Mission staff in virtually all cases and appeared to contribute to substantive dialogue and teamwork within most Missions.
- E.3. Missions which had already clearly articulated higher level program objectives that were stated in terms of anticipated development changes were able to develop indicators for this level and link with project/NPA objectives more easily.
- E.4. The active participation of key senior managers and technical officers is crucial to a useable PPIS design. The Program Office and Evaluation Officer's coordinating roles are essential but not sufficient to develop an effective PPIS.
- E.5. Individual project managers can and should contribute significantly to PPIS design, particularly when the activity they manage will generate significant data for measurement of progress.
- E.6. The move to program performance measurement and to policy-related initiatives represents a significant shift of focus for many veteran A.I.D. officers who began careers in A.I.D. when beneficiary targeting at the rural level was the primary program focus. The understanding that the current program focus is not merely a vocabulary change but a different conceptual approach with different measurement needs is slowly taking hold.

#### IV. BROADER IMPLICATIONS

Initial response to, and products of, Phase I of this effort are very encouraging. If pursued, the PPIS process appears to have the potential to facilitate a more mature and results-oriented dialogue between A.I.D./W and its Missions and to provide a more substantive basis for reporting to Congress and the American people. At least as importantly, initial evidence suggests that these benefits can be realized with enthusiastic participation rather than resistance from USAID Missions and can serve as structured opportunities for improved program management and motivation.

To suggest these potential gains is not to minimize the difficulties that were encountered in several Missions. Increased program transparency, accountability for higher level results and consolidation of programmatic activities were each painful processes for many of those involved. Willingness by A.I.D./W to treat Missions as serious partners in these processes, however, appeared to go a long way towards mitigating these concerns.

As the activity progressed, it became increasingly clear that the PPI system could be usefully employed by PPC and the Regional Bureaus to consolidate and shape Mission programs and to consolidate reporting on existing programs. It was also clear, however, that the current diversity in monitoring and evaluation procedures masks a great deal of consistency that already exists in the portfolio. Put another way, existing A.I.D. programs could be described and reported on in much simpler and more uniform ways with relatively minor investments in indicators development and PPIS improvement.

Experience in Phase I also suggests that there are certain potential pitfalls to be avoided in the PPIS process. The exercise is likely to be counterproductive if used in the first instance as either an instrument of central program direction or for allocating resources based on "program performance." If seen principally as a device for terminating particular programs, field personnel will regard the system as a new management imposition to be resisted, and will quickly revert to time-tested skills of relabeling old activities to match new priorities. If seen principally as a budgeting instrument, energy will be directed towards efforts to present a good "report card" rather than to report honestly on, and learn from, past performance.

In the short run, primary emphasis should be placed on encouraging Missions to consolidate their programs and to set up suitable performance assessment systems. Missions should be rewarded or punished based on their effectiveness in doing so. Most Missions see the benefit of these directions and will actively support them. For the reasons noted above, this effort will have the effect of rationalizing substantially A.I.D.'s current portfolio and performance reporting. Clear policy statements from Washington on a limited number of priorities could serve to guide this consolidation process.

In the long run, after a year or two of acclamation to the new system, it would be appropriate to begin exercising more comparative assessment of program performance across sectors and countries, and allocating discretionary resources accordingly. It should also be feasible at that time to further consolidate programs and indicators based on both policy and performance considerations. Within the next three or four years, it should thus be feasible to establish an effective strategic planning, program management and performance reporting system for individual Missions, Bureaus and the overall agency without the need to resort to the type of centrally imposed mandates that have proven so unproductive in A.I.D. in the past.

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# ANNEXES

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ANNEX 1  
MISSIONS ASSISTED

Africa

1. Cameroon
2. Ghana\*
3. Kenya\*
4. Lesotho
5. Niger
6. Rwanda
7. Southern Africa
8. Swaziland
9. Zaire

Asia and the Near East

1. India\*
2. Indonesia
3. Pakistan
4. South Pacific
5. Tunisia\*
6. West Bank and Gaza

Latin America and the Caribbean

1. Bolivia\*
2. Honduras\*
3. RDO/C\*
4. ROCAP

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\* CDIE Pilot Country

## ANNEX 2

### SIMPLE PLANNING TOOLS

The following are samples of the simple planning tools that were used by MSI to facilitate understanding, decision-making and communication of Mission strategies and performance criteria. The four tools presented are: (1) an Objective Tree; (2) a Program Logframe; (3) a Project Purpose Inventory; and (4) a Performance Indicator Framework.

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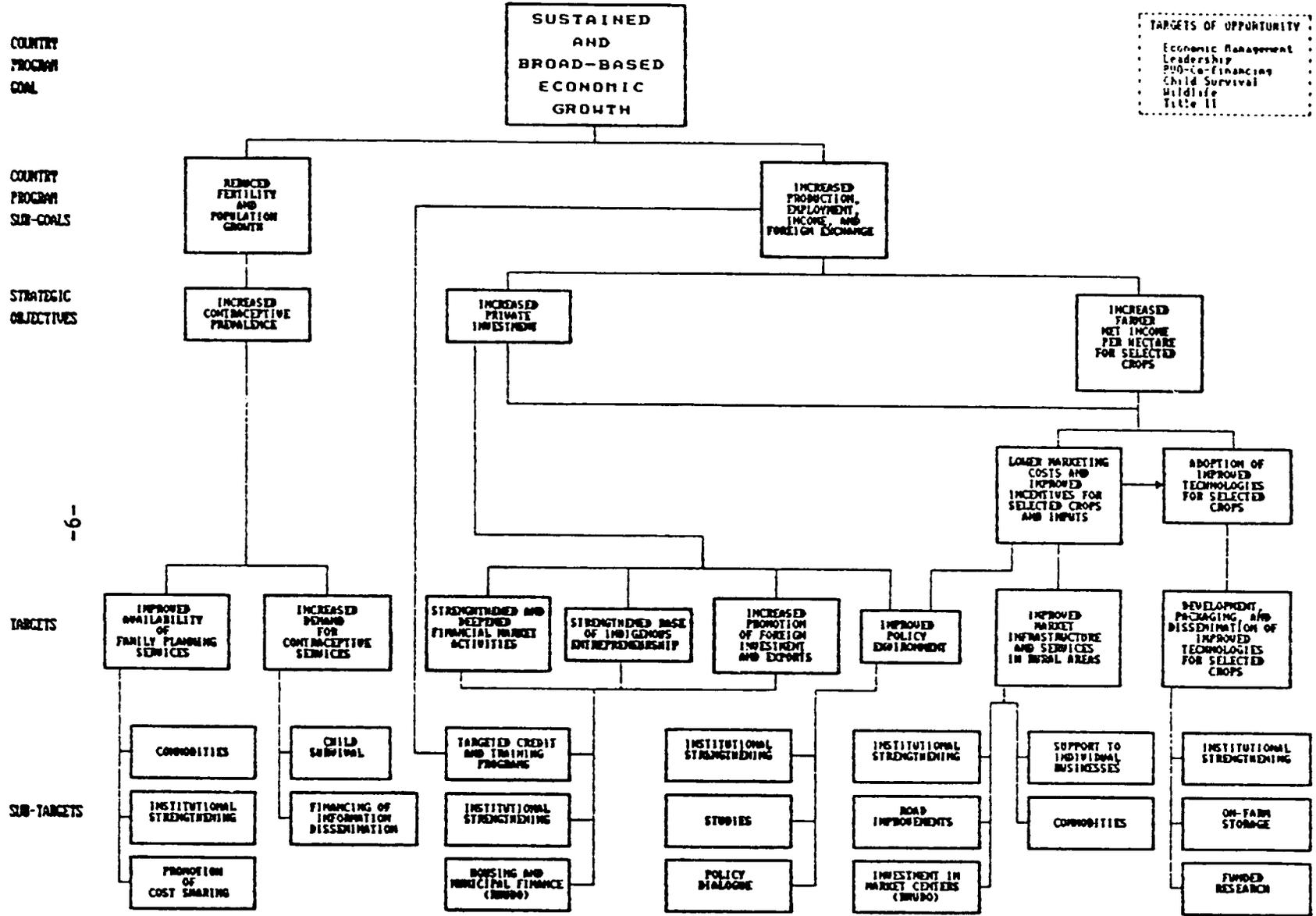
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**SAMPLE  
OBJECTIVE TREES**

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SAMPLE  
MISSION-WIDE OBJECTIVE TREE

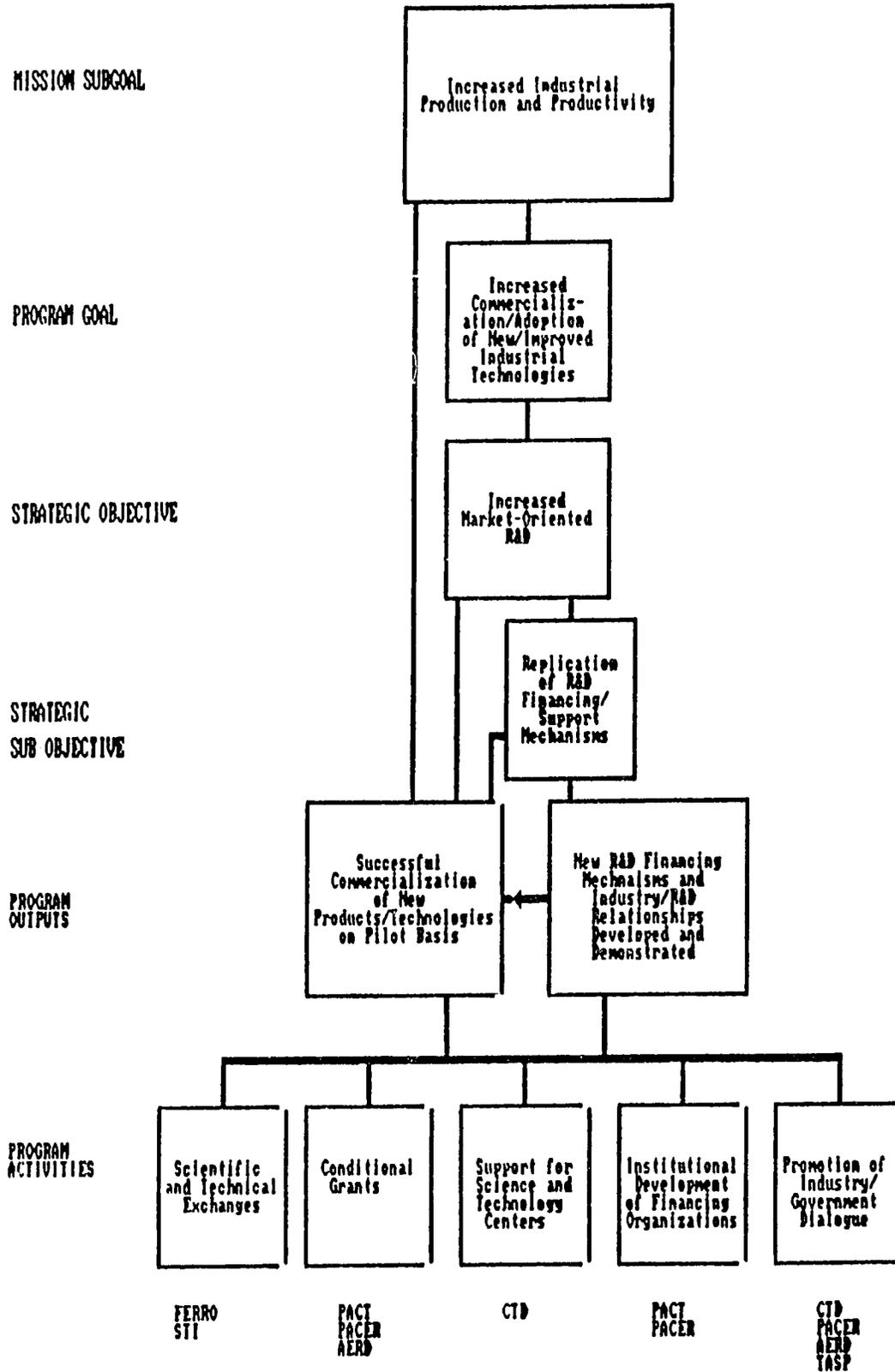


- 6 -

MISSION-WIDE OBJECTIVE TREE

SAMPLE

SAMPLE  
SINGLE PROGRAM OBJECTIVE TREE



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**SAMPLE  
PROGRAM LOGFRAME**

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PROGRAM LOGICAL FRAMEWORK

LEVEL 1: PROGRAM GOAL  
PAGE 1

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
<b>USAID GOAL</b>			
1. Increased and sustainable rural per capita income.	1.1 National per capita income increased from \$320 in 1987 to \$___ in 1992 in real terms.	1.1 National income statistics - MINIFINECO.	1. Political stability. 2. Strong currency.
	1.2 Value of per capita consumption in rural areas increased from 1,910 FRu/pers/year in 1983 to ___ FRu/pers/year in 1992 in real terms.	1.2 Updates of the 1983 National Household Budget and Consumption Survey, and sporadic regional surveys - MINIPLAN.	3. Continued GOR commitment to private-sector development. 4. Institutional environment does not discourage private investment.
	1.3 Caloric intake in rural areas increases from 2,444 cal/adult-eq./d in 1983 to ___ cal/adult-eq./day in 1992.	1.3 Updates of the 1983 National Household Budget and Consumption Survey, and sporadic regional surveys - MINIPLAN.	5. Development assistance remains at near-constant levels.
	1.4 Protein intake increases from 80 gr/adult-eq./Day in 1983 to ___ gr/adult-eq./day in 1992.	1.4 Updates of the 1983 National Household Budget and Consumption Survey, and sporadic regional surveys - MINIPLAN.	7. International coffee and tea prices remain stable or rise in real terms.
		1.5 Updates of the 1983 National Household Budget and Consumption Survey, and sporadic regional surveys - MINIPLAN.	

SAMPLE  
PROGRAM LOGFRAME  
(partial)

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
<b>PROGRAM PURPOSES (PROJECT GOALS)</b>	<b>END OF (5-YEAR) PROGRAM STATUS</b>		
1. Reduced fertility rates in Rwanda.	1.1 Population growth rate decreases from 3.7% in 1987 to 3.2% by 1994. 1.2 Total fertility rate decreases from 8.6 in 1987 to 8.0 in 1994.	1.1 National census - MINIPLAN. 1.2 ONAPO sample surveys.	<u>General Assumptions</u> 1. GOR formalizes the policy process and applies the stated policies. 2. Educational level will not be a limiting factor for FP II and for the technical transfer components of FSRM and NRMS.
2. Increased agricultural growth on a sustainable natural resource base.	2.1 Increased yields of food crops. 2.2 Increased animal production. 2.3 Increased per capita food production. 2.4 Increased rural total per capita consumption. 2.5 ___ ha nationwide under sustained-yield cultivation practices.	2.1 MINAGRI annual agric. surveys. 2.2 MINAGRI annual agric. surveys. 2.3 MINAGRI annual agric. surveys. 2.4 MINAGRI annual agric. surveys. 2.5 MINAGRI annual agric. surveys.	<u>Specific Assumptions</u> 1.1 Fertility decrease can precede economic progress. 1.2 Fertility decrease can occur in a population with a low education/literacy level. 2.1 Current agricultural policies restrict agricultural growth. 2.2 Improved agricultural policies would increase agricultural growth. 2.3 GOR policymakers remain committed to rural development.
3. Increased investment and economic growth in the rural private sector (including secondary towns), and increased productive off-farm employment.	3.1 Number of new firms established increases from ___ in 1987 to ___ in ___. 3.2 Value added increases by ___% per year in the industry and service sectors. 3.3 Overall credit to manufacturing increases by ___% per year in real terms. 3.4 ___ jobs per year created in the industry and service sectors, especially among artisans, micro-enterprises and SME.	3.1 MINIFINECO registrations. 3.2 MINIFINECO annual national statistics. 3.3 BNR annual data for all participating banks. 3.4 Update in 1989 of the 10/1987 MINIFINECO special study of employment + MINIPLAN employment surveys.	3.1 Employment can be generated through management and technology without finding new markets (assumption of TechnoServe and IVACU).

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
<b>PROGRAM OUTPUTS (PROJECT PURPOSES)</b>			
1. Improved GOR and private sector capacity to provide family planning services and information.	<p>1.1 Increased GOR allocations to FP from \$2.2 M in 1989 to \$2.7 M in 1994.</p> <p>1.2 Guidelines and directives to implement national policies; integration of services increased from 5% of HC's in 1988 to 80% by PACD, including HIS and supervision; policies allowing increased women's literacy; improved systems of service delivery; research reviewed by coordinating committee; research objectives carried out; and 3 seminars on priority topics.</p> <p>1.3 867 public and 40% of private health facilities staffed and supplied to provide FP; on-going evaluations and research used to improve services.</p> <p>1.4 80% of public, 40% of private health and community workers trained in FP and counseling and service delivery; IEC materials produced and disseminated; radio air-time increased.</p> <p>1.5 Reorganization of inventory control and supply management; annual workplans which relate activities to budgets; reorganization of admin. and financial procedures; 80% of public and XX% of private health facilities provided with equipment and contraceptives.</p>	<p>1.1 GOR budgets.</p> <p>1.2 GOR policy pronouncements, laws, decrees, budgets, plans; GOR and religious leaders' speeches.</p> <p>1.3 Private sector sales, distribution statistics; project evaluations, site visit reports; GOR coordinated MIS/FP statistics; seminar and study tour reports.</p> <p>1.4 Project evaluations, site visit and training reports; IEC materials, curricula; print and media advertising.</p> <p>1.5 Management/financial and activities report; annual workplans and budgets.</p>	<p><u>General Assumptions:</u></p> <p>1. GOR will pick up the recurrent cost of the projects and turn them into institutions.</p> <p><u>Specific Assumptions:</u></p> <p>1.1 Census funded and undertaken.</p> <p>1.2 DHS undertaken in year 2 of project.</p> <p>1.3 Integration of service statistics completed in a timely manner.</p> <p>1.4 IEC activities adequately increase demand for FT services.</p> <p>1.5 Services available and accessible.</p> <p>1.6 Rural infrastructure (roads, centers, radio) adequately maintained.</p> <p>1.7 GOR allows AID support to private sector - no regression in legal framework.</p> <p>1.8 High-level GOR officials continue to support FP, leaders participate in seminars.</p> <p>1.9 Economic situation does not deteriorate.</p> <p>1.10 Donor support levels remain constant or increase.</p> <p>1.11 ONAPO and MINISAPASO obtain and retain adequate staff.</p> <p>1.12 Local organizations apply for sub-grants.</p> <p>1.13 Coordinating committees named, responsibilities assigned, and meet regularly; mechanism is effective.</p>

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
2. Upgraded GOR capacity to formulate and implement agricultural policy (purpose of ASPAP)	2.1 SESA staff can do surveys and policy analysis. 2.2 Reliable data base on resource use and productivity in place. 2.3 Established procedures for data analysis, presentation and incorporation in the policy-making process. 2.4 Policies which promote agricultural growth established. 2.5 Strategy and policies for natural resources management in place.	2.1 SESA surveys and policy analysis reports. 2.2 Review of SESA and MINAGRI data. 2.3 Review of SESA and MINAGRI policy-making process. 2.4 Review of MINAGRI, and other relevant GOR ministries' policies. 2.5 Review of GOR documents on agricultural planning and policies.	1.14 Suitable training programs can be identified; expatriates are effective in OJT activities. 1.15 ONAPO and MINISAPASO give adequate priority to research, and recommendations are implemented. 2.1 SESA, MINIDIPLAN, MINIFINECO integrated in the policy process. 2.2 GOR meets recurrent costs. 2.3 Trained staff remains in service. 2.4 GOR willing to use survey data. 2.5 Political environment for policy dialogue remains stable. 2.6 Upgraded capacity leads to selection of free market/private sector oriented policies.
3a. Strengthened capacity of the public sector to develop and transfer agric. and soil conservation technology, and of the private sector to deliver agric. services (purpose of FSRP and RRAM).	3.1 FSR/E approach accepted by Rwandan authorities for replication. 3.2 Increased ISAR capacity to perform adaptive research. 3.3 Increased ISAR linkages with UNR, MINAGRI and international research centers. 3.4 Roles of ISAR, UNR, MINAGRI, communes, NGOs, private sector in ag. development defined. 3.5 Commercial elements of OPROVIA, seed centers, nurseries, regies, IRDPs etc. privatized. 3.6 Greater ability of the communes to develop and implement agric. and soil conservation projects. 3.7 Greater private sector participation in input supply & marketing.	3.1 MINAGRI Documents and Interviews. 3.2 ISAR research agenda and research reports. 3.3 Interviews and ISAR and MINAGRI officers. 3.4 MINAGRI policy statements and interviews with the parties involved. 3.5 OPROVIA, MINAGRI annual reports; interviews with the parties involved. 3.6 Interviews in communes; commune documents which indicate agricultural policies. 3.7 MINAGRI surveys and census. SESA special studies.	3.1 Favorable/improved GOR policies toward agricultural service businesses. 3.2 New agricultural technologies appropriate to Rwanda's constraints can be found. 3.3 Spontaneous farmers' groups are formed to take on agricultural production and soil conservation tasks. 3.4 Farmers are willing to participate in co-ops. 3.5 GOR does not supply goods and services at subsidized prices which make it uneconomical for private businesses to compete.

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
3b. Farmers apply improved technologies and practices (purpose of FSRM, RRAM, fish culture, other ag. projects).	3.8 Technologies and practices recommended by FSR project staff are disseminated.	3.8 Review of MINAGRI field service records or evaluation of dissemination procedures and activities.	3.6 Recommended technologies and practices are profitable for farmers to adopt.
	3.9 Farmers apply recommended technologies and practices on ___ ha.	3.9 Review of MINAGRI field service records or evaluation of dissemination procedures and activities.	3.7. Farmers have disposable monetized income to purchase recommended inputs. 3.8 Appropriate extension practices are adopted.
4a. Policy reforms implemented.	4.1 A policy definition agenda and procedures for feeding research results into the policy process & implementing and monitoring policy changes is established.	4.1 MINIFINECO, MINIMART.	4.1 Stable government.
4b. Upgraded capacity of GOR to formulate and implement economic policy reforms (purposes of PRIME).	4.2 a) Procedures for establishing enterprises streamlined and time required for MINIMART & MINIFINECO shortened. b) Reforms in the commercial code.	4.2 MINIMART, MINIFINECO, applying firms.	4.2 Continued support for structural adjustment and policy reform by IBRD/IMF. 4.3 Recommendations formulated in research studies and policy dialogue process are accepted by GOR (this assumes that data and discussion/negotiation are able to outweigh the political status quo, tradition, and vested interests in pre-reform policies and conditions).
	4.3 a) Review of fiscal system to make it more neutral re. enterprise size. b) Exchange rate adjustment and associated price changes which favor labor-intensive enterprises.	4.3 MINIMART, MINIFINECO.	
	4.4 a) Credits of over 1 year for rural enterprises. b) Average loan processing period reduced to 90 days.	4.4 a) BRD statistics. b) Analysis of BRD dossiers of participating banks.	
	4.5 GOR promulgates privatization policy.	4.5 MINIMART, MINIFINECO.	
	4.6 Establishment of legal status for SGF.	4.6	

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
4.7 a) Selective promotion and protection of enterprises. b) Decreased overall level of protection. c) Increased reliance on tariffs, reduced reliance on import licenses. d) Increased coord. with neighboring countries to promote regional trade (recommend. of BUNEP/PRIME study).	4.7 BNR & MINIFINECO commerce div.		
4.8 Implementation procedures developed to give SME access to benefits of investment code.	4.8 MINIFINECO D.G. of Economic Policy.		
4.9 a) Share of agriculture in GOR budget increases from 4.4% in ___ to ___ in ___. b) Increased financing of agricultural research. c) Increased budget for employment-oriented education and training. d) Increased allocations for micro-enterprises.	4.9 National statistics.		
4.10 GTM accepts or rejects policy recommendations in a timely manner.	4.10 Comptes rendus of GTM sessions.		
4.11 a) DGEP staff receives appropriate training. b) DGEP staff appointed on a permanent basis.	4.11 MINIFINECO personnel records.		
4.12 a) CCIR becomes more representative of the private sector vis-a-vis GOR. b) Increased member contributions to CCIR. c) Increased networking, training and study activities by CCIR.	4.12 CCIR.		

NARRATIVE SUMMARY (OBJECTIVES)	INDICATORS	MEANS OF VERIFICATION (DATA SOURCES)	ASSUMPTIONS
5. Enterprises possess improved management, financial and marketing skills (purpose of IWACU and TechnoServe projects).	5.1 Strengthened management and commercial activities of co-ops and existing co-op unions. 5.2 100 enterprises possess improved management, financial and marketing skills by PACO of TechnoServe project. 5.3 ___ enterprises apply appropriate technologies ___ 5.4 Chamber of Industry and Commerce strengthened.	5.2 Review of TechnoServe records and evaluation of TechnoServe project. 5.3 5.4 CCIR records.	5.1 A sufficient number of SMEs exist in Rwanda. 5.2 Local co-ops will be receptive to the proposed training and extension services. 5.3 The major participating cooperatives and GOR reach agreement on the role of the national federation of cooperatives. 5.4 GOR will permit air time for co-op radio broadcasts.

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**SAMPLE  
PROJECT PURPOSE  
INVENTORY**

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DISTANCE OF PROJECT OUTPUTS AND PURPOSES FROM THE CONTEMPLATED  
STRATEGIC OBJECTIVE FOR THE AGRICULTURAL PROGRAM OF USAID/KENYA

DISTANCE OF PROJECT OUTPUTS  
AND PURPOSES FROM THE  
STRATEGIC OBJECTIVE  
FOR AGRICULTURE

CLOSE

Small Ruminants Collaborative Research Project  
On-Farm Grain Storage

National Agricultural Research Project (KARI)  
Kenya Market Development Program  
Fertilizer Marketing Program

Agricultural Management Project

Institutional Development    : Agricultural Training

FAR

Resource Management for Rural Development

STRATEGIC OBJECTIVE FOR AGRICULTURE:

INCREASED FARMER NET INCOME PER HECTARE

PROJECT PURPOSE INVENTORY  
SAMPLE

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**SAMPLE  
PERFORMANCE INDICATOR  
FRAMEWORK**

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## PERFORMANCE INDICATOR FRAMEWORK

<u>DEVELOPMENT PROBLEM AREA</u>	<u>OBJECTIVES</u>	<u>INDICATORS</u>	<u>SOURCES</u>
<b>GOAL</b>	Improve long-term, sustainable employment and income opportunities through means which promote efficiency and productivity	<ol style="list-style-type: none"> <li>1. Percent increase in employment:               <ol style="list-style-type: none"> <li>a. Total</li> <li>b. Other than agriculture</li> </ol> </li> <li>2. Percent increase in per capita GDP</li> <li>3. Decrease in percent of population below poverty line</li> </ol>	<ol style="list-style-type: none"> <li>1. National accounts data</li> <li>2. National accounts data</li> <li>3. Poverty studies</li> </ol>
<b><u>SUBGOAL 1</u></b>			
<b>Open, Free Market Economy</b>	Support a more open, less regulated market and trade oriented economy, internally and externally	<ol style="list-style-type: none"> <li>1. Increase in private sector GDP:               <ol style="list-style-type: none"> <li>a. Percent increase in real terms</li> <li>b. As percent of GDP</li> </ol> </li> <li>2. Increase in exports:               <ol style="list-style-type: none"> <li>a. Percent increase in dollar terms:</li> <li>b. As percent of GDP</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. National accounts data</li> <li>2. Trade statistics</li> </ol>
<b>A. Financial Markets Deregulation/ Development</b>	Assist the GDI to increase the level of financial savings	<ol style="list-style-type: none"> <li>1. Percent increase in financial savings (equity, long-term debt held by the public, and bank savings deposits)</li> </ol>	<ol style="list-style-type: none"> <li>1. Bank Indonesia Financial Statistics</li> </ol>
<b>i) Banking reform</b>	Assist the GDI to transform the current system into a more efficient, sustainable mechanism for financial intermediation, with emphasis on rural and small-scale enterprises	<ol style="list-style-type: none"> <li>1. Market interest rates maintained</li> <li>2. Percent increase in savings deposits:               <ol style="list-style-type: none"> <li>a. Total, in real terms</li> <li>b. Rural, as percent of total</li> </ol> </li> <li>3. No. of functioning rural banks</li> <li>4. Percent inc. in loans to microenterprises</li> </ol>	<ol style="list-style-type: none"> <li>1. Bank Indonesia</li> <li>2. Bank Indonesia Financial Statistics</li> <li>3. Ministry of Finance</li> <li>4. Bank Indonesia</li> </ol>
<b>ii) Capital markets development</b>	Assist the GDI to increase the availability of long-term debt and equity capital	<ol style="list-style-type: none"> <li>1. No. of stock market listings</li> <li>2. Increase in average daily stock trading volume</li> <li>3. Development of a commodity futures market</li> <li>4. Development of a market in municipal development bonds</li> </ol>	<ol style="list-style-type: none"> <li>1. Daily press</li> </ol>

SAMPLE  
PERFORMANCE INDICATOR  
FRAMEWORK  
(partial)

<u>DEVELOPMENT PROBLEM AREAS</u>	<u>OBJECTIVES</u>	<u>INDICATORS</u>	<u>SOURCES</u>
B. Private Investment and Trade	Assist the GOI to increase the level of private sector activity within the economy	<ol style="list-style-type: none"> <li>1. Increase in domestic private investment:               <ol style="list-style-type: none"> <li>a. In real terms</li> <li>b. As percent of GDP</li> <li>c. As percent of total investment</li> </ol> </li> <li>2. Increase in manufactured goods exports:               <ol style="list-style-type: none"> <li>a. Total</li> <li>b. From provincial ports</li> </ol> </li> <li>3. Increase in exports of processed agricultural products</li> <li>4. Increase in share offerings of SOEs</li> </ol>	<ol style="list-style-type: none"> <li>1. National accounts data</li> <li>2. Trade statistics</li> <li>3. Trade statistics</li> <li>4. Daily press</li> </ol>
i) Trade & investment promotion	Assist the GOI to improve the trade and investment environment to stimulate economic growth	<ol style="list-style-type: none"> <li>1. Increase in investment approvals by BKPM:               <ol style="list-style-type: none"> <li>a. Total</li> <li>b. Regional</li> <li>c. U.S.</li> </ol> </li> <li>2. Improved implementation rate of investment approvals:               <ol style="list-style-type: none"> <li>a. Total</li> <li>b. Regional</li> <li>c. U.S.</li> </ol> </li> <li>3. Increased output (however measured) of KADINDA member firms</li> </ol>	<ol style="list-style-type: none"> <li>1. BKPM data</li> <li>2. BKPM data</li> <li>3. KADINDA data</li> </ol>
ii) Agribusiness (processing and marketing)	Assist the GOI to increase production and trade of processed agricultural products	<ol style="list-style-type: none"> <li>1. No. and value of USAID-assisted agribusiness investments</li> </ol>	<ol style="list-style-type: none"> <li>1. Agribusiness Project</li> </ol>
iii) Privatization	Assist the GOI to privatize public enterprises and services	<ol style="list-style-type: none"> <li>1. No. and value of AID-assisted divestitures</li> </ol>	<ol style="list-style-type: none"> <li>1. ARSSP</li> </ol>

<u>DEVELOPMENT PROBLEM AREAS</u>	<u>OBJECTIVES</u>	<u>INDICATORS</u>	<u>SOURCES</u>
<u>SUBGOAL II</u>			
Sustainable Agricultural Production and Productivity	Increase sustainability, productivity and efficiency of agricultural production	<ol style="list-style-type: none"> <li>1. Inc. in agricultural output</li> <li>2. Increase in dollar value of agricultural exports</li> <li>3. Increase in agricultural output on South Sulawesi, NTT and NTB:               <ol style="list-style-type: none"> <li>a. Total</li> <li>b. Per hectare</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. National accounts data</li> <li>2. Central Bureau of Statistics (CBS)</li> <li>3. CBS</li> </ol>
A. Agricultural Diversification	Assist the GOI to increase the share of agricultural production accounted for by non-rice crops	<ol style="list-style-type: none"> <li>1. Incr. in output of secondary food crops:               <ol style="list-style-type: none"> <li>a. Year-to-year real increase</li> <li>b. As share of total agricultural prod.</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. CBS/MDA</li> </ol>
i) Research, technology development and dissemination	Assist the GOI to introduce new and appropriate technologies in areas of high potential	<ol style="list-style-type: none"> <li>1. Increase in output of secondary food crops per hectare</li> <li>2. Increase in agricultural output per m.t. of fertilizer applied</li> <li>3. New research varieties adopted:               <ol style="list-style-type: none"> <li>a. No. of new varieties</li> <li>b. Value of crops affected</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>1. CBS/MDA</li> <li>2. CBS</li> <li>3. MDA (AARD)</li> </ol>
ii) Market deregulation	Assist the GOI to increase the efficiency and competitiveness of Indonesian agricultural trade	<ol style="list-style-type: none"> <li>1. Decrease in percentage of agricultural items subject to restrictive licensing:               <ol style="list-style-type: none"> <li>a. Exports</li> <li>b. Imports</li> </ol> </li> <li>2. Decrease in no. of import items subject to tariff of more than 25 percent</li> </ol>	<ol style="list-style-type: none"> <li>1. Min. of Trade</li> <li>2. Min. of Trade</li> </ol>
iii) Agribusiness development (production)	Assist the GOI to increase production and trade of processed agricultural products	<ol style="list-style-type: none"> <li>1. No. and value of USAID-assisted agribusiness investments</li> </ol>	<ol style="list-style-type: none"> <li>1. Agribusiness Project</li> </ol>

(SUBGOAL II cont.)

<u>DEVELOPMENT PROBLEM AREAS</u>	<u>OBJECTIVES</u>	<u>INDICATORS</u>	<u>SOURCES</u>
B. Decentralized Planning and Maintenance	Assist the GOI to improve the capacity of local governments to upgrade and maintain rural infrastructure	1. Increase in no. and value of infrastructure projects managed by local govts. of South Sulawesi, NTT and NTB 2. Increase in share of local budgets for upgrading and maintaining local infrastructure	1. Project measurements 2. Provincial budgets
i) Rural roads	Assist the GOI to improve the capacity of local governments to upgrade and maintain rural roads	1. Increase in share of population with access to rural roads	1. Project measurements
ii) Small-scale irrigation	Assist the GOI to improve the capacity of local governments to increase the efficiency of small-scale irrigation systems	1. Increase in collection of water user fees 2. Increase in area under irrigation on South Sulawesi, NTT and NTB	1. Water user associations 2. KABUPATEN budgets, provincial budgets

(SUBGOAL II cont.)

<u>DEVELOPMENT PROBLEM AREAS</u>	<u>OBJECTIVES</u>	<u>INDICATORS</u>	<u>SOURCES</u>
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