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**IMPROVING THE COLLECTION
AND USE OF
PROGRAM PERFORMANCE DATA**

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I. INTRODUCTION

A. SCOPE OF WORK

USAID/Bolivia has made recent efforts to focus its strategic planning and to improve its collection and use of information. As part of that effort, a team from Management Systems International (MSI), The Futures Groups, and AID/PPD/CDIE was requested to visit Bolivia in January to: (1) help the Mission define its strategy and to focus its program on an appropriate, achievable number of objectives, and (2) help the Mission outline its FY 1991-92 Action Plan strategy, objectives, and indicators.

The Scope of Work for the assignment called for the team to: (1) review USAID draft Action Plan matrix of performance indicators and the AID/Washington review cable, and advise on any improvements; (2) interview Mission Management and Office Directors to gather views on overall Mission and particular sectoral objectives; (3) advise Mission regarding selection of measurable indicators of progress toward selected objectives and means of data collection and analysis; (4) advise Mission on incorporation of antinarcotics strategy into overall development strategy; (5) review current CDSS and advise the Mission regarding need for and/or content of possible amendment or replacement; (6) assist in drafting Mission strategy statement for the upcoming Action Plan; (7) conduct a workshop for Mission personnel to develop widest possible consensus for a more sharply focussed program.

During its time in Bolivia the team:

- reviewed the Mission's major program documents (CDSS, Action Plans, sector strategy statement;
- prepared and discussed ideas for program areas, objectives, indicators and data sources for current and anticipated Mission activities and for the FY 1991-92 Action Plan;
- assisted in drafting the Mission strategy statement and the Mission policy dialogue agenda for the FY 1991-92 Action Plan;
- prepared program impact tables and performance narratives for the Action Plan based on revised program areas and objectives; and
- explored with Mission management and other Mission personnel certain of the substantive, organizational, and operational implications of adopting the program perspective.

This report summarizes the team's observations and suggested actions. It also provides a description and discussion of each of the recently identified program areas, their associated indicators and program outputs, and identified data sources for tracking future program performance. The team has also prepared a set of notes with respect to the monitoring of cross-cutting issues including women and development, policy reform, and the environment.

II. PROGRAM OVERVIEW

USAID/Bolivia has just completed a new articulation of program priorities for its 1991-1992 Action Plan. While consistent with the Mission's current CDSS, it represents a deliberate effort to focus their priorities and concentrate their efforts. More specifically, while the Mission's global objectives continue to be economic growth with equity, drug eradication and support for democratic institutions, the new Action Plan reflects two important changes in approach. First, the Mission has come to believe that their economic growth objectives for Bolivia are best seen in the context of the economic transformation necessary to move Bolivia to an economy less dependent on coca for its principal sources of export earnings and jobs. Secondly, USAID/Bolivia believes it is most likely to maximize its impact by narrowing the gauge of their strategy and focusing on a limited number of discrete program-level objectives.

The Mission's proposed strategy contains six program areas each characterized by a single objective and several quantitative program performance indicators. While in each case the Mission believes the objectives it has selected exceed its direct control, the Mission also believes that it can have a substantial and verifiable effect on each of these objectives in the next several years. The Mission has also identified a series of lower level but nevertheless significant results, termed as program outputs, in each program area in which it hopes to have relatively immediate impact.

The six program areas on which USAID/Bolivia proposes to concentrate are presented in the following paragraphs.

1. Maintenance of Sound Economic Policy

The objective of this program area is to reinforce and support GOB ability to formulate and maintain sound macroeconomic policies. The Mission proposes to assist Bolivia to sustain fragile macroeconomic reforms by helping to provide a financial and emergency safety net and by continuing to strengthen the GOB's policy analysis capability. Through operational projects and work with a variety of business groups, the Mission further proposes to identify and target a range of "micro policies," regulations and attitudes impeding further improvement in the business environment.

2. Alternative Development

The objective of the Alternative Development program area is to increase investment, productivity, and employment in non-coca activities. This program aims to promote the economic growth and transformation needed to provide a legitimate alternative to coca farming. The strategy focuses on infrastructure and marketing assistance in rural areas; interventions to promote micro, small and medium sized industry and agricultural producers; and strengthening of critical intermediary producer and service organizations. Complementing these efforts is a major initiative intended to change attitudes toward drugs and an ESF program conditioned on narcotics reduction.

3. Financial Market Development

The objective of this program area is to increase the efficiency and effectiveness of Bolivian financial markets to support economic reactivation and growth. The Mission sees financial market development as one of the greatest opportunities to support reactivation and growth in the Bolivian economy in the short run. Structural and procedural improvements in financial markets are central to the Mission's efforts to promote alternative development and to encourage exports. In singling out this area as a separate objective, the Mission hopes to encourage a systematic and strategic approach to the issues involved and to provide a structure for rationalizing its various credit and financial market activities.

4. Export Promotion and Diversification

The objective of the export promotion and diversification program area is to increase the volume, value and range of non-coca exports. While this program area obviously overlaps program areas No. 2 and 3, it is listed separately both to emphasize its importance in the Mission's strategy and to draw special attention to the need to find substitute sources of foreign exchange as well as substitute sources of jobs. The Mission's strategy in this area is comprehensive in nature, includes both agricultural and non-agricultural elements, and emphasizes policy dialogue, technical assistance to exporting organizations and firms, export finance and training.

5. Maternal and Child Health

The objective of this program area is to improve the health of mothers and of children under age five. Of all the social sectors in which USAID might intervene in Bolivia, maternal and child health is the area in which USAID involvement can make the greatest contribution. Bolivia's performance in this area continues to be the worst in Latin America. USAID's strategy in this area focuses on improving the quality and scope of service delivery, promoting needed policy review and encouraging greater use of private sector delivery mechanisms.

6. Democratic Initiatives

The objective of the democratic initiatives program area is to improve the effectiveness and accessibility of key democratic institutions. Bolivia's return to democracy is recent, impressive and relatively fragile. USAID has determined that its greatest potential contribution to this process is helping key institutions other than the executive branch to increase their efficiency and outreach thereby balancing the executive branch's traditional monopoly on power. Specific measures include assistance in effecting numerous operational improvements in the judiciary and the legislature, automation of the electoral registry, participant training of current and potential leaders, and broadening participation in a range of private sector advocacy groups.

III. PROGRAM AREA INFORMATION PLANS

This section presents the recently identified program areas, the strategic objectives, and their respective indicators and program outputs. For the purposes of the recent Action Plan, the team worked with Mission personnel to obtain baseline data for each indicator and program output along with figures for recent performance (1989), and projected performance targets for 1990 and 1991. The sources of data for each indicator and program output are provided along with an explanation of how each of the baseline figures was derived. This should allow the Mission to replicate the measurement of program activity for Semi-Annual Reviews and future Action Plans. For a given program, a schematic diagram of the program strategy and rationale is also presented.

The indicators for each program area represent those developmental markers whose achievement the Mission believes are key for reaching a given strategic objective. Furthermore, the Mission also believes it can either directly affect positive movement in these indicators through their associated program strategy or can provide reasonable evidence that the program activities have contributed substantially. Indicators should be seen as the standards by which a Mission is trying to measure its effectiveness in a particular program area.

The program outputs which were chosen represent specific outcomes which can be expected to derive from the program strategy through the means of specific projects and activities. They can also be seen as intermediate indicators whose achievements over time contribute to positive movement in the overall program indicators. These were chosen in consultation with Mission offices and based on the actual activities or outcomes that associated projects are designed to produce (or will be designed to produce). Program outputs were also chosen based on their measurability and the availability of data (or the reasonable premise that such data could be collected in the future).

In some program areas, it may not be clear that there is a reasonable connection between the achievement of the objective and the associated program activities. The linkage between program outputs and program indicators may be less than obvious. In some instances this gap can be resolved simply by asking more questions from the available data, increased monitoring of the program outputs, or through operations research. In other cases a special study may be required to establish causal relationships between movement in indicators and associated program outputs. For the most part, however, there are clear linkages between positive movement in a given program indicator and one or more of the associated program outputs. But where the need for a special study is particularly obvious, suggestions are placed within the program area information plans below. The need for other special studies, however, will only emerge as issues and problems arise during the course of implementation. The objective of any such study is to provide enough evidence to clearly tie A.I.D. activities to higher level program indicators or to provide a basis for interpreting existing indicators more fully.

Data for baseline and recent performance were not always available. This is because, in part, several of the indicators and program outputs were just identified in the context of both consolidating Mission program areas for the 1991-1992 Action Plan and beyond, and creating a Program Performance Information System. In other cases, as will be noted below, several of the program area

overlap two or more offices. Associated baseline and performance data is available under several projects within different offices, but the relevant data are not always collected in comparable ways or in ways suitable for program measurement. Frequently data were not gender disaggregated. Preliminary commitments have been made to work across offices to collect baseline data and to construct common monitoring and evaluation systems for measuring future performance.

A. MAINTENANCE OF SOUND ECONOMIC POLICY

1. Program Area Strategy

This program area contributes to the Mission's objective of reinforcing and supporting GOB ability to formulate and maintain sound macroeconomic policies. Key program performance indicators chosen for their contribution to this objective include: (1) the gap between official and free market exchange rates, (2) increase in net international resources, (3) significant improvements in the economic policy environment, and (4) the provision of a "safety net" through the creation of temporary employment.

Program outputs which will support measured progress toward the achievement of this objective and movement in the performance of the indicators listed above include: (1) the magnitude of U.S. balance of payments support, (2) the number of short-term jobs created, and (3) economic policy and regulatory changes directly affected by USAID supported activities. The basic USAID strategy that will be employed to this end includes budgetary support from an ESF cash transfer program, savings in foreign exchange through a continued PL 480 Title III program, policy dialogue, short-term jobs created through PL 480 Title II food for work programs, and strengthening GOB policy analysis capability.

A graphic depiction of this program area is presented on the next page.

2. Program Performance Measurement and Sources of Data

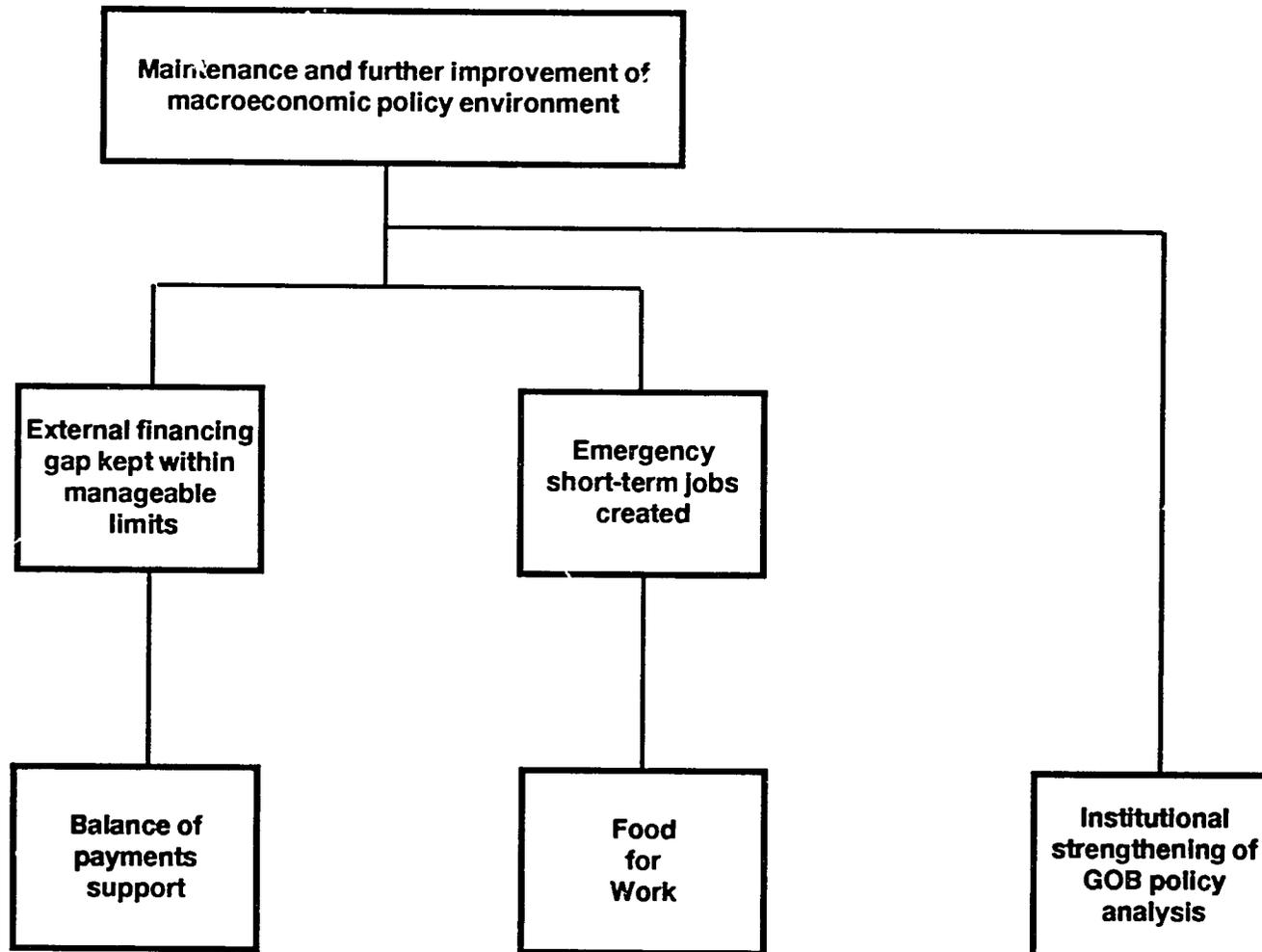
Measurement in the first indicator in respect to the gap between official and free market exchange rates, can easily be done by checking with the IMF. The GOB's economic stabilization program under the IMF Enhanced Structural Adjustment Facility is currently underway with compliance closely monitored by the IMF. In support of the IMF program, the current ESF Cash Transfer program includes covenants requiring continuing GOB compliance with maintaining a flexible exchange rate. Progress on this indicator is currently monitored by the Mission economist.

Baseline data for the second indicator, increases in net international reserves, was acquired from the Central Bank. Measurement on the future performance of this indicator can also be accomplished through contacting the Central Bank.

The third indicator, significant improvements in the economic policy environment, is measured by continued compliance with the IMF Structural Adjustment Program and other economic liberalization measures. Again, progress in the policy environment is currently monitored by the Mission economist.

Program Area #1:

Maintenance of Sound Economic Policy



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Progress in this indicator is also promoted by activities of UDAPE, the USAID-supported government policy institute, which is detailed in output number three below.

The fourth indicator, the provision of a "safety net" through the creation of temporary employment, is achieved through the P.L.-480 Title II program. This indicator is specifically supported through the number of jobs provided under the Food for Work program detailed in program output number four. The goal is to maintain this program until economic reactivation has become effective in terms of providing sufficient sources of employment.

Program output number one, the magnitude of U.S. Balance of Payments support, is based on a yearly agreement by the U.S. Government and the Government of Bolivia, and provided through the means of an annual ESF program. Indirectly, it helps support the targeted achievement of program indicator number one, which is to maintain a free foreign exchange market.

The measurement of the second program output, short-term jobs created under P.L. 480, is the yearly number of those temporary jobs provided under the P.L. 480 Title II program. The data is presented as jobs created per month, for rural and urban areas, and by the percentage of those jobs held by women and by men. The data was provided by the P.L. 480 Title II program officer.

The third output, the establishment of a G.O.B. macro-economic policy formulation capability and other economic policy and regulatory changes directly affected by USAID supported activities, is measured by a list of G.O.B. actions on UDAPE recommendations. UDAPE is a USAID-supported government policy institute. UDAPE is currently addressing policy issues related to macroeconomics, energy, pricing, the informal sector, and privatization. Progress is monitored by UDAPE who reports to the Policy Reform project officer in the Development Planning and Evaluation Office.

B. ALTERNATIVE DEVELOPMENT

1. Program Area Strategy

The Alternative Development program area contributes to the Mission objective of increasing investment, productivity, and employment from non-coca activities. The program performance indicators chosen for their contribution to this objective include: (1) reduction in the number of hectares under coca production, (2) increases in private sector employment outside of agriculture, and (3) increases in rural incomes from non-coca sources in selected geographic areas.

Progress toward the Alternative Development objective and in positive movement in the performance of the indicators listed above will more immediately be accomplished through the following program outputs: (1) increased kilometers of new and rehabilitated roads connecting producing regions to markets, (2) increased new electricity connections in producing regions, (3) the number of firms or individuals receiving financial, technical, and/or marketing assistance from USAID assisted intermediary organizations, (4) increases in employment for firms receiving USAID supported services, and (5) increases in the percent of population with negative opinions about drug production and use.

These program outputs, in turn, will be achieved through activities under the basic USAID strategy that includes institutional strengthening of intermediary organizations, targeted (pilot) credit to agricultural producers and to micro, small and medium size enterprises, technical assistance on marketing in the rural areas, infrastructure development in rural areas (specifically, improved roads and additional electrical distribution systems), training through agricultural extension and management training activities, public information and drug awareness programs, ESF conditionality centered on voluntary eradication of coca fields, and local currency financed projects from the Title III program.

A graphic depiction of this program area is presented on the next page.

2. Program Performance Measurement and Sources of Data

Measurement on the first indicator in this program area, reduction in the number of hectares under coca production, is obtained from D.I.R.E.C.O., a public agency of the GOB. A baseline figure of hectarge under coca production dating from 1987 was obtained from this source. Targets for future hectarge reduction are set according to Bolivan Law 1008. These data are maintained in the Agriculture and Rural Development Office. Actual reduction of hectarge is negotiated under the yearly ESF program conditionality statements.

Voluntary reduction is also sought through the mechanisms of program outputs one through four below which include such activities as improvements in significant infrastructure that would link non-coca farms to markets, (thus enabling producers to bring their products to market for lower costs), and through strengthening firms and enterprises which could serve as alternative sources of employment. Increases in the percent of population with negative attitudes about drugs, program output number five, (through the Narcotics Awareness project) and information about alternative sources of employment derived from public information sources, are conceptualized to act as additional "pull" factors from involvement in the coca economy.

The second and third indicators, increases in private sector employment outside of agriculture, and increases in rural incomes from non-coca sources, should be collected by gender. Baseline data on private sector employment in 1988 were obtained from the Instituto Nacional de Estadistica, Encuesta Nacionalde Poblacion y Vivienda. Yearly updates on these figures can easily be obtained from the same source. There is currently no baseline of data on rural incomes from non-coca sources. A survey of rural households has not been undertaken since 1978. Rural income data will be available from the National Rural Household Survey to be conducted by INE in 1991. These data will eventually provide a baseline from which to measure future performance. The questionnaire for the survey will also include questions on the sources of credit which will help link USAID supported credit services to rural incomes. The Socio-Economic survey being conducted under the Chapare Regional Development project may also provide data on rural incomes and employment in the Chapare region.

**Program Area #2:
Alternative Development**

Movement from coca production to alternative sources of employment and income

Increased disincentives for coca production

Increased employment and income opportunities

Enterprises served

Interdiction Program

ESF Conditionality

Enhanced drug awareness

Construction of physical infrastructure

Institutional strengthening of intermediary organizations providing services to agricultural producers, micro and small enterprises

Analysis of economic opportunities

Targeted credit for agricultural producers, micro and small enterprises

- Ag. extension
- Marketing
- Credit
- Management

b

Program outputs one through four, as detailed under the first indicator and listed separately below, can support positive movement in increases in private sector employment and in rural incomes from non-coca sources. To more clearly associate increases in income with USAID program activities, future plans can be made to interview a purposive sample of individuals who receive employment, credit, technical, or marketing services from USAID assisted firms and organizations.

Performance on program outputs which contribute to the achievement of the Alternative Development objective is difficult to measure. In several instances, data which would measure progress must be derived from both the Private Sector and Agriculture offices and within those offices, from several different projects.

The first program output, kilometers of new and rehabilitated roads, demonstrates this quandry. This activity is undertaken by the Chapare Regional Development project, by PL 480 Title II Food for Work programs, and the Rural Roads project. Hence, this information was not readily available and took some time to gather. The Engineering Division of the Project Development and Implementation Office took leadership in gathering data on kilometers of improved road under these the two projects and the Title II Food for Work program, and also provided a 1988 estimated baseline of improved roads nationwide from Servicio Nacional de Caminos. Current performance data was simply derived from the sum of the kilometers of roads built in 1989 under the various Mission projects which support this activity. It is recommended that a common monitoring system across these three USAID road development activities be created to measure future performance.

The Engineering Division is also gathering data on the number of rural towns that are connected with electrical distribution systems in the five departments in which the Rural Electrification project will work. This information will provide a baseline of data on program output number two, the number of new electricity connections. The Rural Electrification III project will provide future data to measure progress. Future target performance figures were obtained from the project design paper. The project will begin in 1991.

Data for a baseline and to measure future progress were not available for program outputs numbers three and four. These are, respectively, the number of firms or individuals receiving financial, technical or marketing assistance from USAID assisted intermediary organizations, and increases in employment from firms receiving USAID supported services. Projects which provide the above types of services are found in the Private Agricultural Producers Organizations and Chapare Regional Development projects in the Agriculture Office, and the Export Promotion and Micro and Small Enterprise Development projects in the Private Sector Office. Data on the numbers of firms and individuals receiving specific types of services will have to be collected through the intermediary organizations which provide these services under the four projects in order to form a baseline of data. This information should be collected in a comparable way by gender in the case of individuals receiving services, and by the gender of the firm owner in those instances of firms receiving services. This activity should be coordinated between offices and undertaken in the current year, and then tracked regularly through a common monitoring and evaluation program.

Employment data, collected by gender, can be obtained at the same time from these four projects. This will form a baseline for the fourth program output which tracks increases in employment for firms receiving USAID supported services, and progress can then be tracked on a regular basis.

Performance progress in the fifth program output, percent of population with negative opinions about drug production and use, is measured under the Narcotics Awareness project in the Human Resources Office. A public opinion survey conducted by U.S.I.A. in 1988 measured urban perceptions on the production and use of dangerous drugs and the data provides the source of baseline data. U.S.I.A. will resurvey this population in the latter half of 1990 which will measure both the effectiveness of the Narcotics Awareness project and other related activities under the Alternative Development program area. Data on attitudes about drug production and use was not collected by gender in the U.S.I.A. public opinion survey, but can be required to do so in the upcoming survey. This should be a relatively simple thing to do in addition to the more difficult disaggregation undertaken by the 1988 survey on educational levels and socio-economic status.

C. FINANCIAL MARKET DEVELOPMENT

1. Program Area Strategy

Increasing the efficiency, effectiveness and depth of Bolivian financial markets to support economic reactivation and growth is the objective supported by the Mission's financial market development strategy. The program indicators which were chosen for their contribution to this objective are: (1) increases in the ratio of M3 to GDP (a measure of financial depth), (2) an increased proportion of that credit directed toward agriculture and towards medium, small and microenterprises, and (3) a reduction in the spread between deposit and lending rates (a measure of efficiency).

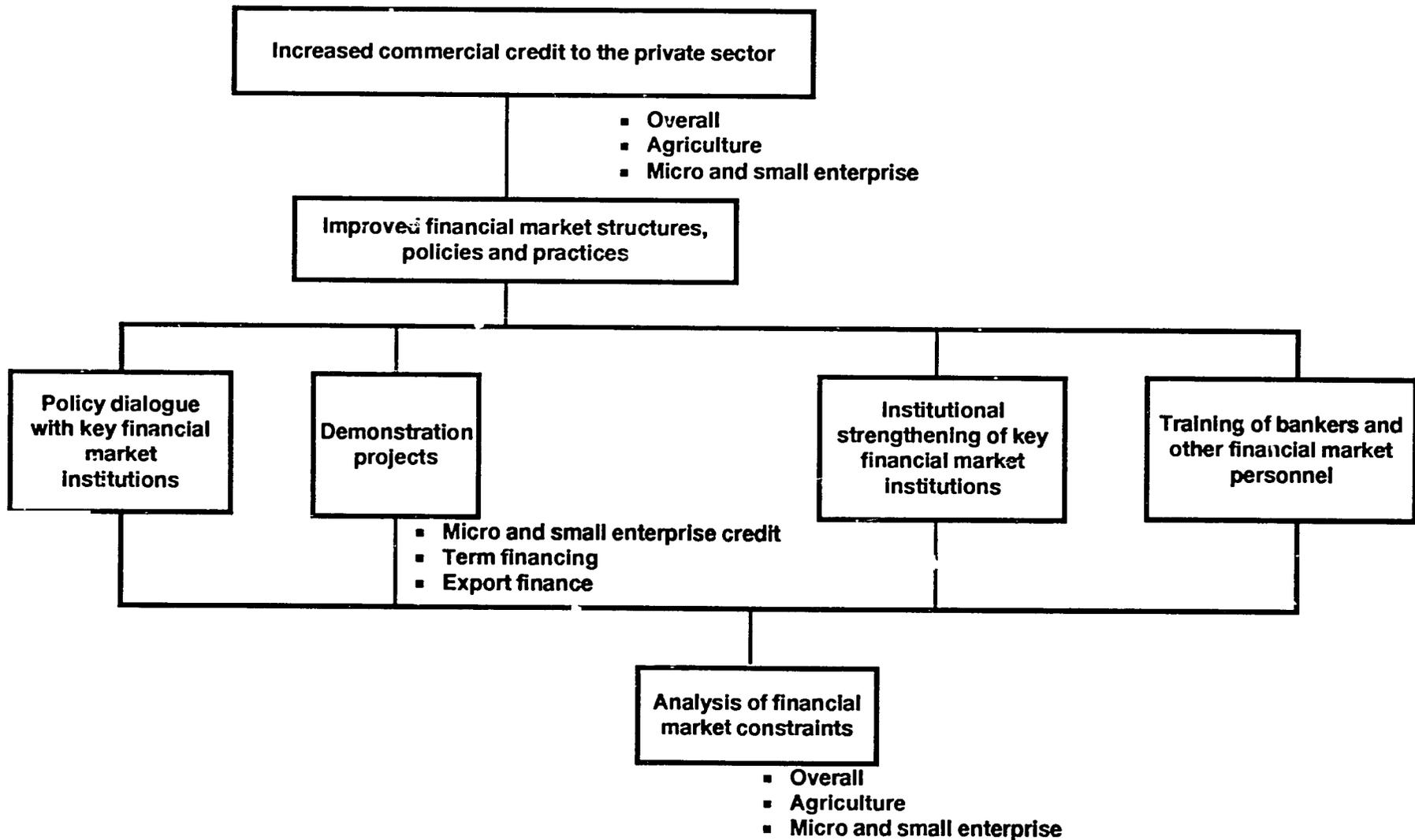
Program outputs which will support measured progress toward the program objective and movement in the performance of the indicators listed above include: (1) an overall analysis of systemic problems in Bolivian financial markets, (2) an analysis of policies, administrative procedures and practices that constrain or bias investment in medium, small, and micro enterprises in industry and agriculture, (3) specific improvements to financial intermediation resulting from USAID financial market interventions and policy dialogue, (4) the number of firms authorized to issue securities through the BOLSA (cumulative), and (5) the number of bankers and financial sector personnel trained with USAID assistance (cumulative).

Program outputs will in turn be achieved through a USAID strategy which features: (1) technical assistance to financial market institutions, (2) studies of structural constraints, (3) policy dialogue to change identified constraints, (4) training, (5) demonstration projects, and (6) strengthening the capacity of relevant private sector groups to affect financial market policy.

A graphic depiction of this program area is presented on the next page.

Program Area #3:

Financial Markets Development



The first indicator, increase in the ratio of M3 to GDP, is a measure of the percentage of financial assets vis a vis the gross domestic product. This is a measure of financial depth. The calculations for achieving the most recent increase (1989), which provides the baseline, are found in Annex 2. The data source is from Banco Central de Bolivia.

Progress in this indicator may be achieved in part through associated program outputs numbers one and three which analyze systemic problems in Bolivian financial markets and promote specific improvements in financial intermediation from USAID market interventions and policy dialogue to remove identified constraints.

A baseline for the second indicator, increase in credit availability to agricultural producers and to medium, small, and micro enterprises in industry and agriculture, is not yet available. USAID/Bolivia will work with ASOBAN during 1990 to develop a means of monitoring lending activity on a disaggregated basis by size of enterprise and gender of the borrower. Once a baseline is established, a specific performance target will be set in consultation with ASOBAN and the Superintendencia.

Progress in this indicator is promoted by program output number two, an analysis of policies, administrative procedures and practices that constrain the availability of credit to the above groups and enterprises, and then associated policy dialogue to remove those identified constraints.

Baseline data for the third indicator, reduction in spread between deposit and lending rates, is from Banco Central de Bolivia. It is a measure of the efficiency of the financial sector. The calculations for deriving the baseline and future performance of this indicator are found in Annex 2. Progress in this indicator will be supported in part by the same program outputs as described under indicator number one.

The program output baseline figures and performance measures were obtained in a variety of ways. The first program output, an overall analysis of systemic problems in Bolivian financial markets, will be carried out in 1990 by the Private Sector office.

The second output, an analysis of policies, administrative procedures and practices that constrain or bias investment in medium, small and micro enterprises in industry and agriculture, will also be carried out in 1990.

Program output three requires specific improvements to financial intermediation resulting from USAID financial market interventions and policy dialogue. The Private Sector office, in conjunction with the Mission Program Economist, set targets for the end of 1990 which include: (1) an increase in the equity of the banking system, (2) a reduction in the operating costs of banks as a percentage of loans, (3) continued reduction of interest rates, and (4) enactment of a new investment issue and banking law. These targeted improvements will be monitored by the Private Sector office.

Program output four seeks to increase the number of firms authorized to issue securities through the Bolsa. In 1989 there were none from which to establish a baseline figure. The Private Sector office set an end of 1990

performance target of five firms. This information can be obtained by a phone call to the Balsa.

Program output number five is the number of bankers and financial sector personnel trained with USAID assistance. This will be a new undertaking under the Strengthening Financial Markets project. Future performance on the numbers of people trained can be obtained by the project information system.

Program output six measures the capital base of PRODEM and FENACRE available for lending to small and microenterprises. The 1989 baseline figure was calculated by summing the figures of total loans outstanding from the end of the year balance sheets of each of the two organizations. To obtain a measure of future performance, calculate the change in the end of the year figures for both organizations, and sum them together with the base.

The last program output measures the number and value of term loans made through USAID projects. The end of 1989 baseline figure was calculated as a change in the number and value of outstanding loans at the end of the year. The figures were obtained from the F.O.C.A.S. project in the Private Sector office.

D. EXPORT PROMOTION AND DIVERSIFICATION

1. Program Area Strategy

The objective of the Export Promotion and Diversification program area is to increase the volume, value, and range of non-coca exports. The program indicators which were chosen as measures of achieving this objective are: (1) the total value of non-traditional exports (in \$), (2) a list of new items exported from Bolivia, and (3) an increase in the number of foreign investments in Bolivian export industries.

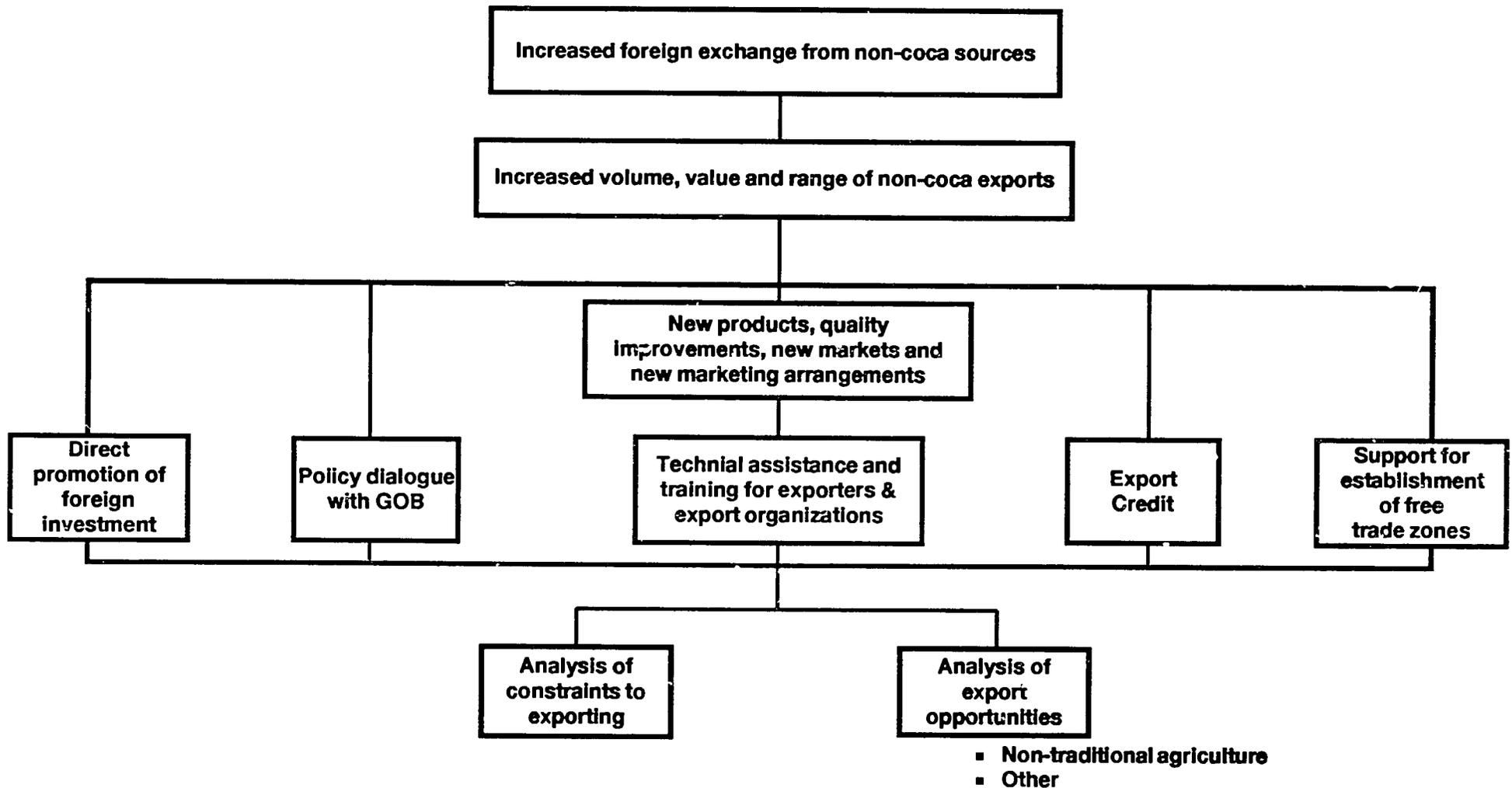
The program outputs which will support measured progress toward the program objective and movement in the performance of the indicators listed above include: (1) an analysis of policies, administrative procedures and practices that constrain exports, (2) potential new export items identified and investigated through USAID assisted activities, (3) increases in exports by USAID assisted firms, (4) the magnitude of export credit provided through USAID assisted projects, (5) improvements in export policy environment resulting through USAID policy dialogue, (6) the number of export marketing information systems established in intermediary organizations with USAID assistance, and (7) the number of foreign investments directly facilitated by USAID project activities.

A graphic depiction of this program area is presented on the next page.

These outputs and movement in the performance of the program indicators will be accomplished through a strategy which includes: (1) policy dialogue and subsequent policy changes, (2) technical assistance for export organizations and firms, (3) export finance, (4) targeted training, (5) strengthening the capacity of key business groups to influence G.O.B. export policy, (6) direct promotion of foreign investment, and (7) support for the establishment of free trade zones.

Program Area #4:

Export Promotion and Diversification



2. Program Performance Measures and Sources of Data

The baseline figure for first indicator in this program area, the increase in total value of non-traditional exports, was constructed by the Export Promotion project officer in the Private Sector Office. The source of this figure and performance data is kept on record by this project officer. It was not available at the time this report was being written. Progress in this indicator should be supported by all of the program outputs described below.

Indicator number two, a list of new items exported from Bolivia (cumulative), has a future performance target of three by the end of 1990. There is no current baseline figure. Activities from the Private Sector office Export Promotion project, and from the Private Agricultural Producers Organizations project in the Agricultural and Rural Development office will contribute to increases in new exports. It is strongly recommended that a common monitoring and evaluation system be set up between these two projects in order to measure future performance. Progress in this indicator should also be promoted by all of the associated program outputs.

The situation is similar for indicator number three, new foreign investments in Bolivian export industries. A baseline figure will be established by the end of 1990 as accomplished by program activities in the Private Sector office. Progress in achieving new foreign investments should be assisted by efforts at directly facilitating such investments by USAID project activities (program output number 7), improvements in the export policy environment (promoted by output number 5), and by increases in export marketing information systems (promoted by output number six).

Program output number one entails an analysis of policies, administrative procedures and practices that constrain exports. The Private Sector office will carry out this analysis in 1990.

The second program output, potential new export items identified and investigated through USAID assisted activities, will entail a listing of those identified export items. Currently there is no baseline figure, but the Mission estimates there will be 15 new items identified by the end of 1990. These items will be identified, through the Export Promotion project in the Private Sector office, and the Private Agricultural Producers Organizations in the Agriculture and Rural Development office.

The source of the baseline figures for the third and fourth program outputs, increases in exports by USAID assisted organizations and firms and the magnitude of export credit provided through USAID assisted projects, is also on record with the Export Promotion project officer in the Private Sector office.

Progress in program outputs two through four will be affected by project activities in both the Private Sector and Agriculture and Rural Development offices. Again, it is suggested that a common monitoring and evaluation system across these two offices be implemented to collect data for the measurement of future performance in this program area.

Program output five, improvements in export policy resulting from USAID policy dialogue, is based on both ongoing policy dialogue with respect the status of the Boliviano, and newer items such as the implementation of a duty

drawback scheme, simplification of export procedures, and restructuring of INPEX. This list represents policy changes that the Mission hopes to achieve by the end of 1990, and will be monitored by the Mission Economist and the Program Office.

Currently, there is no baseline figure for program output number six, the number of uses of export marketing information systems established in intermediary organizations with USAID assistance. Target figures have been established by the Private Sector office for the end of 1990, and 1991. Performance data will be collected under the Export Promotion project.

Program output number seven, the number of foreign investments facilitated directly by USAID, entails a simple summation of these investments. This is a new undertaking by the Private Sector office, and as such there is no baseline figure at the present time. This office has set target figures for the end of 1990 and 1991. Performance data will be collected by the Private Sector Office under the project associated with this activity.

E. MATERNAL AND CHILD HEALTH

1. Program Area Strategy

The objective of the Maternal and Child Health program area is improved health of mothers and of children under five years. The program indicators are: 1) the child mortality rate (by gender), (2) contraceptive prevalence (by gender), and (3) the maternal mortality rate.

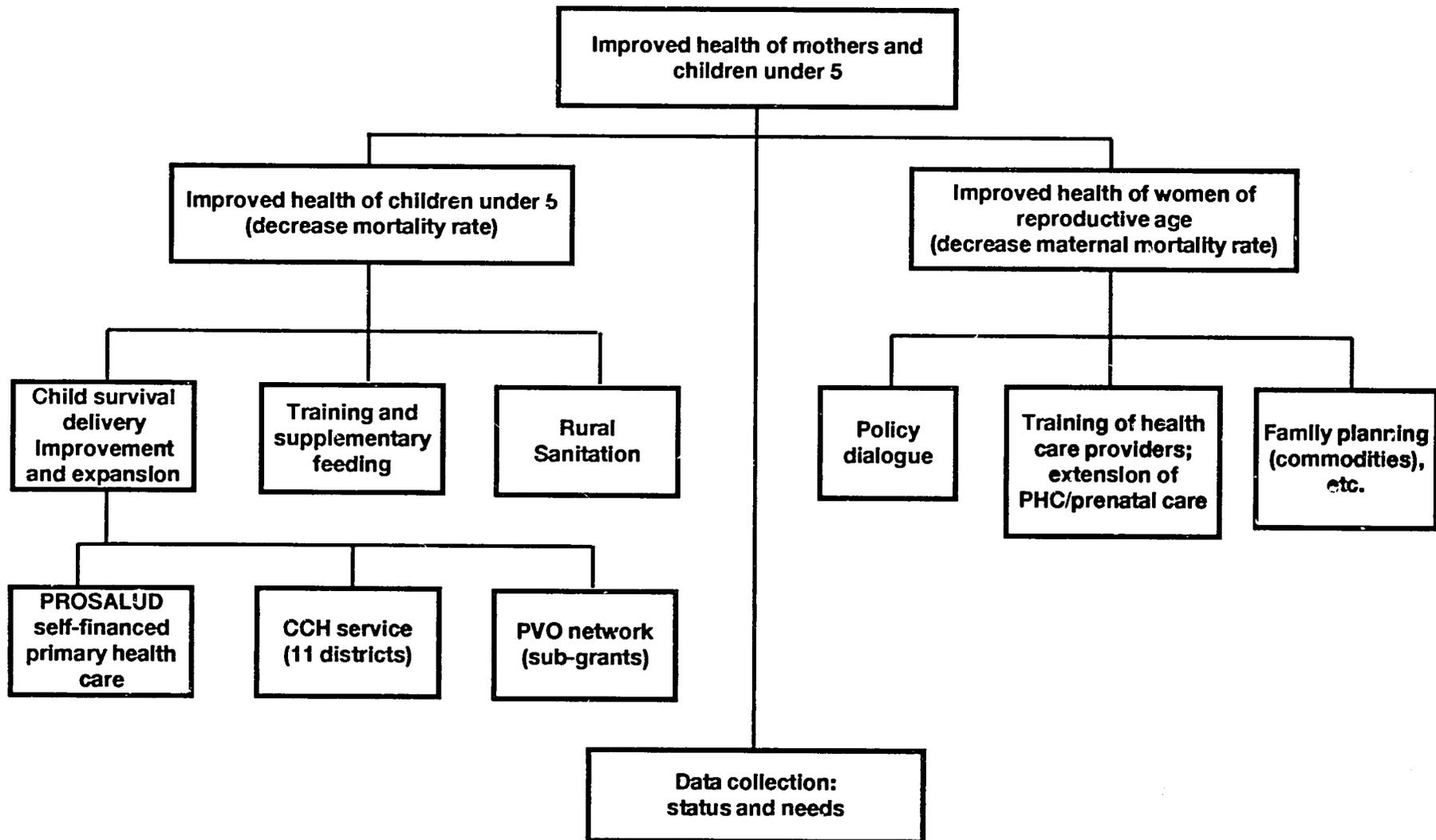
Program outputs supporting the achievement of the program objective and movement in the performance of the indicators listed above include: 1) increased percent of diarrheal disease episodes appropriately treated, (2) increased percent of children immunized against polio, DPT, measles, TB CBGG, and the percent of women immunized against TT, (3) increased number of communities served with USAID-supported potable water systems, (4) increased number of mothers and children receiving supplemental food and training supported by USAID, (5) increased coverage of USAID self-financed primary health care (by gender), (6) increased number of people receiving family planning services under USAID-assisted activities, and (7) establishment of a national system for collection and analysis of demographic, child survival and contraceptive prevalence data.

A graphic depiction of this program area is presented on the next page.

The program strategy which will promote these outputs includes: (1) institutional strengthening of service delivery organizations, including training of health care personnel, (2) promoting community organization and involvement in health and sanitation, including health-related education and supplementary feeding, (3) commodities provision, (4) policy dialogue, and (5) projects supported by Title III local currency generations.

Program Area #5:

Maternal and Child Health



2. Program Performance Measurement and Sources of Data

The first indicator, child mortality rate, will measure decreases in this rate with figures from UNICEF, State of the World's Children, 1989 (Estado Mundial de la Infancia). It should be noted, however, that there is probable underreporting on child mortality in vital registration systems. Data are currently not disaggregated by gender but this can be arranged in future years through UNICEF. Progress in this indicator, to some extent, will be supported through associated program outputs one through five which support increased both prevention and appropriate and timely treatment of disease, increased immunization, health education and supplemental feed programs, and increases in potable water systems.

Baseline information for the second indicator, contraceptive prevalence, is from the 1989 Demographic and Health Survey (Bolivia Enaresta Nacional de Demografia y Salud 1989 Informe Preliminar). In the future, performance data will be obtained from a national system for the collection of health data (currently being established). Achievements in this indicator will be partially supported through USAID program output number six, the provision of family planning services, and by significant reductions in child mortality rates in the future.

The source for the baseline figure for indicator three, maternal mortality rate, is also from UNICEF, State of the World's Children. The figure reported for the 1989 baseline is a "best guess." There is no better source of data as a large proportion of mortality is attributed to septic abortions which are rarely reported. Reductions in the maternal mortality rate are supported in part by outputs three through six mentioned above under the child mortality indicator, and as listed separately below.

A general comment deserves mentioning here. The two health indicators listed above, child mortality and maternal mortality, are very sensitive to prevailing environmental conditions (e.g. agricultural, economic, political, etc.), as well as to the quality of vital registration reporting systems. Therefore, these contextual elements must be taken into account when assessing changes in these indicators. The establishment of a national system for the collection and analysis of demographic, child survival, and contraceptive prevalence data (output number seven), should eventually help the G.O.B., USAID, other donors, to more effectively design and target strategies for progress in all three of these indicators in the future.

Program output number one is the increased percent of diarrheal disease episodes appropriately treated (with ORT). The 1989 figure is from the Demographic and Health Survey. In the future, performance data on this output will be collected from the national health data system which is currently being constituted as mentioned above under indicator number two.

The source for the baseline figure for program output number two, increased percent of children immunized against polio, DPT, measles, TB CBGG, and the percent of pregnant women immunized against TT, is the 1989 Demographic and Health Survey. The national health data system, once established, will collect future performance data for this program output.

Baseline information for output number three, increased number of communities served with USAID-supported potable water systems, is from the CARE Water and Health project in the Health and Human Resources Office. Future performance data will also be collected under this project.

The source for the baseline figure for output number four, increased number of mothers and children receiving supplemental food and training supported by USAID, is from the PL 480 Title II Supplemental Feeding program. This information is recorded by the Title II program officer. Future performance data will also be collected under this program.

In the future, the Child Survival Questionnaire should be used for collecting data under outputs one, two, and four.

Baseline information for program output number five, increased coverage of USAID self-financed primary health care, is from the PROSALUD quarterly reports. Data is disaggregated by gender. This quarterly report may be used for future performance data.

The source for baseline information for program output number six, increased number of people receiving family planning services under USAID-assisted activities, is a sum from PVO grantee activity reports. Data are gender disaggregated. These reports are located in the Health and Human Resources Offices, and can be used for future performance measurements.

Program output number seven is the establishment of a national system for the collection and analysis of demographic, child survival and contraceptive prevalence data. The establishment of this system was initiated in 1989 and may be completed in FY 1991.

F. DEMOCRATIC INITIATIVES

1. Program Area Strategy

The objective of the Democratic Initiatives program area is to improve the independence, accountability, efficiency, and accessibility of key democratic institutions. The indicators for this program area are: (1) in the judiciary branch, the ratio of completed cases to total cases considered in the year, (2) in the electoral system, the number of valid registered votes (by gender), and (3) in the legislative process, the cumulative number of laws as passed from the basic legislative agenda for democratization.

The program outputs supporting the program objective and some degree of movement in the performance indicators listed above include: (1) the proportion of government budget allocated to the judiciary system, (2) specific judicial sector improvement implemented with USAID assistance, (3) automation of voter registry and citizen identification system, (4) establishment of permanent citizen-juror training programs and voter education/registration campaign capabilities, (5) specific legislative improvements implemented with USAID assistance, (6) membership of farmers and business people in established professional interest groups assisted by USAID (by gender), (7) the number of people receiving training in support of democratization (by gender) (e.g. Andean Peace Scholarships, Training for Development, etc.).

A graphic depiction of this program area is presented on the next page.

The basic program strategy which will promote these outputs includes (1) institutional strengthening of judiciary, legislature, electoral courts, and membership organizations, (2) training through Andean Peace Scholarships, the Training for Development project, and the Strengthening Democratic Institutions project, (3) support for local government activities, (4) policy dialogue, and (5) public information to expand awareness of the problems of narcotics-related corruption.

2. Program Performance Measurement and Sources of Data

The baseline figure for indicator one, the ratio of completed cases to total cases considered in the year, a measure of the judiciary system, is from the Judicial Treasure. The data provided is an estimate for the three largest districts (La Paz, Cochabamba, and Santa Cruz) only. These districts account for approximately 65% of the national case load. As yet, there are no future performance targets. These will be established by the Strengthening Democratic Institutions project, which will also track future performance.

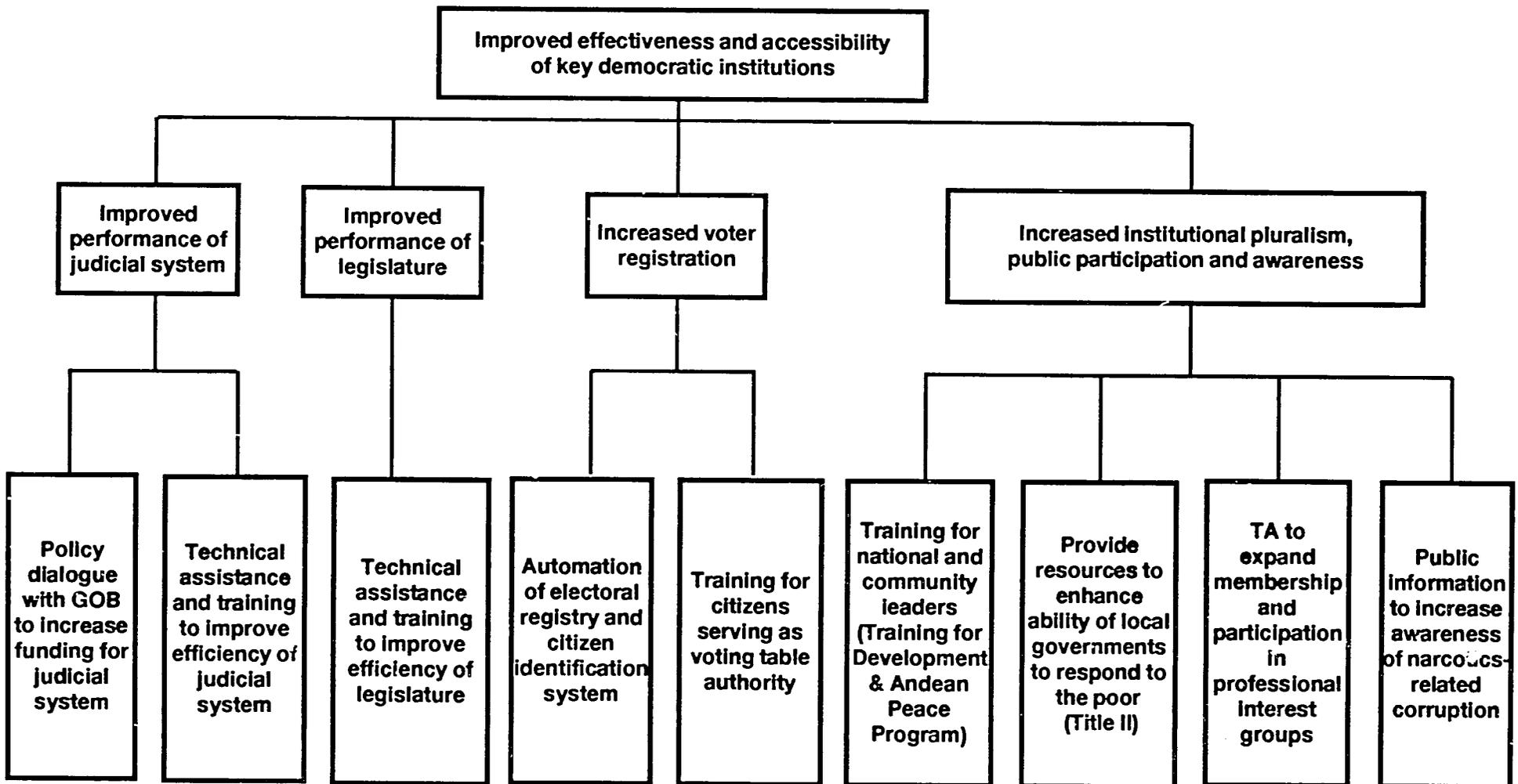
Progress in this indicator will be promoted in part through program outputs numbers one, two, four, and seven. These support such actions as increases in the proportion of government budget allocated to the judiciary, specific judicial sector improvements, permanent citizen-juror training programs, and other types of training in support of democratization.

It is not possible at present to determine a baseline figure for indicator number two, the number of valid registered votes by gender. This output should provide a measure of the electoral system. Inaccuracies in age profiles and regional distribution of demographic statistics make it impossible to determine registered voters as a percentage of the total eligible population. If data is improved in the future, this indicator will be revised as a relative measure.

Progress in this indicator will be promoted specifically by program output number three, the automation of a voter registry and citizen identification system. The voter education/registration campaign (program output number four), and other training in support of democratization (output number seven), will also contribute to progress in this indicator.

Indicator number three, cumulative number of laws as passed from the basic legislative agenda for democratization, is a measure of the legislative process. The baseline figure reported for 1988 is based on a list of key legislation required to put a democratic structure in place. This benchmark legislative agenda is detailed under the Strengthening Democratic Institutions project in the Project Development and Implementation Office. This project will also provide future performance data. Progress in this indicator will be supported most directly by specific legislative improvements implemented with USAID assistance, primarily through the Strengthening Democratic Institutions project (program output number five).

**Program Area #6:
Democratic Initiatives**



The first program output is the proportion of government budget allocated to the judiciary system. The source of data for the 1988 baseline figure is the annual G.O.B. budget, and future performance of this output will be tracked under the Strengthening Democratic Institutions project.

The second program output is specific judicial sector improvements implemented with USAID assistance. A list of these improvements and their associated target dates is maintained under the Strengthening Democratic Institutions projects which will also provide future performance data through tracking accomplishments on the list of improvements according to their targeted dates.

Automation of voter registry and the citizen identification system is program output number three. The future target date for a contract to be signed for the installment of this system is 1990, and the system should be installed in 1991. The Strengthening Democratic Institutions projects will take note of this performance achievement.

The establishment of permanent citizen-juror training programs and voter education/registration campaign capabilities is program output number four. These activities will be pilot tested in 1991, and their accomplishment will be tracked by the Strengthening Democratic Institutions project.

Program output number five is specific legislative improvements implemented with USAID assistance. A list of these improvements has just been developed under the Strengthening Democratic Institutions project with target dates for each specific action to be taken. Future performance measurement can be undertaken by the project by noting the accomplishment of each legislative improvement by the time of its targeted date.

Program output number six is membership of farmers and business people in established professional interest groups assisted by USAID. This is a measurement of increased participation by different socio-economic groups and by gender in organizations which can be significant to their livelihood. Baseline data will be collected in 1990 from those projects in the Agriculture and Rural Development and Private Sector offices that provide services to professional interest groups. It is recommended that a common monitoring system be installed between these two offices to collect data on this output. The organizations assisted by USAID projects can be requested to provide this information.

Output number seven is people receiving training in support of democratization. The baseline and performance figures are totals of the number of people receiving such training from the Andean Peace Scholarship program, the Training for Development program, and the Strengthening Democratic Institutions project. Projections for future performance were also derived from each of these programs. It is recommended that a common monitoring system be installed to obtain performance data from these three programs. The data should continue to be collected by gender.

IV. MONITORING PERFORMANCE OF CROSS-CUTTING ISSUES

A. WOMEN IN DEVELOPMENT AND GENDER DISAGGREGATION OF DATA

Issues relevant to the status of women and to their full participation in activities supported by USAID/Bolivia cut across all of the Mission's programs, and influence the achievement of each of the stated objectives. In undertaking the indicators exercise, the team has made every effort to develop program area indicators and outputs that are appropriately disaggregated by gender. Such gender-disaggregation is seen as appropriate whenever the indicator or output measure is expressed in terms of individuals (or a proxy). In this case, these include the number of jobs created, increases in income per capita, number of individuals and firms receiving assistance, population with negative opinions about drug production and use, child mortality, contraceptive use and family planning clients, population served by self-financing primary health care, number of valid registered voters, and membership in interest groups. However, gender disaggregated measures may also be useful in measuring institutional changes. For example, an increase in the proportion of loans going to women-owned firms provides an indicator of improvements in accessibility of financial services.

Gender disaggregation serves several purposes: First, when the data are available, presentation of gender-disaggregated information highlights men's and women's differential participation in, or benefits from USAID/B projects, at baseline and during the last year. Second, compilation of gender-disaggregated data will allow future inferences to be made regarding the effect of USAID/B projects on the condition of women in Bolivia. Third, discussion of these indicators and outputs with USAID/B personnel leads to a greater level of awareness about the Mission's WID strategy and reporting requirements in the Semi-Annual Reviews and other review processes. Fourth, and perhaps most important, identification of instances in which information is not currently reported by gender will result in recommendations for acquiring, tabulating and analyzing gender-specific data in the future. These recommendations follow.

Gender disaggregated data were available for relatively few of the indicators and program output measures chosen, and new mechanisms must be instituted to collect such data in the future. For example, under the program area of alternative development, gender disaggregated data will be obtained on non-agricultural employment and increases in rural incomes (probably from the National Rural Household Survey); and on the gender of recipients of USAID-supported financial, technical or marketing assistance. Under the objective of improving maternal and child health, data were not readily available for child mortality by gender. However, such data can be obtained in the future from UNICEF, upon request. Gender-disaggregated information on contraceptive use, family planning clients and the populations served by self-financed primary health care were available from the responsible individuals. And, within the democratic initiatives program area, the number of registered voters and membership in farm and business organizations will be disaggregated by gender, to track changes in women's political participation.

The emphasis on generating indicators and program outputs that reflect USAID's concern with gender disaggregation of data has brought to light a more profound and intractable difficulty than the simple absence of gender-specific

tabulations. In many instances, the indicators and program outputs determined to be appropriate to a given objective were not directly related to the lives and experience of individuals -- men or women. These include indicators of macroeconomic conditions and productive structure (government deficit as percent of GDP, hectares under coca production, etc.), measures of infrastructure development (kilometers of roads, etc.), and the quantity or monetary value of programs commitments and returns (number of export marketing information systems, capital base of PRODEM and FENACRE, etc.).

Although these indicators and program outputs cannot be reported by gender, because they are not expressed in terms of individuals participating or benefitting from USAID/B activities, this does not imply that the USAID objectives cannot be linked to individuals' lives. The Action Plan, with its succinct indicators, is not the place to address the matter of how macro-level objectives (and indicators) link to individuals. Benefits to, or contributions of individuals with respect to the macro-level indicators chosen are indirect - - and therefore gender differences in impacts or contributions must be assessed through linking studies. The link between macro- and micro-levels is an appropriate and necessary component of project design and evaluation exercises.

B. POLICY REFORM

The Mission has recently developed an inventory of key policy issues in each sector that the mission gives highest priority and directs most resources toward influencing. In keeping with the new program areas of emphasis that were developed for the Mission's strategy statement, these policy dialogue agenda issues were reorganized from a sectoral reporting style to a program area reporting style in the FY 1991-92 Action Plan. The Action Plan details policy dialogue issues under each of the six program areas.

It appeared to the team that there was no systematic means of tracking and reporting performance of the policy dialogue agenda. It was difficult to get a clear sense of what the Mission's accomplishments were in the policy dialogue arena for many of the issues that were discussed. Now that the policy agenda has been reorganized into program areas, one way of improving the progress reporting system would be to make one individual in each program area responsible for tracking progress on those policy issues. These individuals should then, on a regular basis, report progress on the policy dialogue agenda in their program area to one designated individual in the Mission who has overall responsibility for overseeing progress on the entire policy dialogue agenda for USAID/Bolivia.

A standard format for reporting progress that has been suggested elsewhere would include: (1) the policy issue, (2) the major development constraints it constitutes, (3) the key GOB ministries that need to take action, (4) a set of benchmarks with a realistic (conservative) estimate of the time required to enact reforms, (5) the current status.

In addition to the listing of this information, the program area individual responsible for tracking progress should prepare a "policy briefing memorandum" twice a year. This would be provided to both the person responsible for tracking overall progress of the entire policy dialogue agenda, and to senior

mission management that require this information. This reporting activity could be done more often for any one program area if the need arose.

The Mission should explore the question of how it might incorporate policy dialogue issues under the PL 480 Title III program into this reporting process. This agenda may fit under the Alternative Development program area policy reporting system, or the Mission may decide it is necessary to track it as a unique "program" area. The benefit of merging these policy issues into the Alternative Development program area is that by doing so, the Title III program is assured of being incorporated more fully into the Alternative Development strategy.

One final suggestion is to undertake a portfolio review of projects in each program area that may operate at cross-purposes with any of the issues in the overall Mission policy dialogue agenda. This undertaking represents a time-consuming process, but it could be done gradually for each program area.

C. ENVIRONMENTAL ISSUES

Environmental issues are becoming increasingly important in the Mission. USAID/Bolivia has recently been charged with creating a Commission of DAC members and the GOB to begin an inventory of groups working in the environmental arena, the types of programs in existence, the laws and policies governing natural resource issues, and to undertake relevant studies on the environmental situation in Bolivia. The study would also identify major issues which could form the basis for a future action plan as well as serve as a GOB working group. The Mission was also recently visited by the environmental officer from AID/LAC/TR and the regional environmental officer to create an Environmental Action Plan.

While environmental issues run across the Mission portfolio, the primary locus of environmental activities in the Mission is in the Alternative Development program area. Natural resource management activities are explicitly included in the Chapare Regional Development project, and PL 480 Title III local currency generations fund specific environmental preservation and natural resource management activities in different areas of Bolivia. There are probably other arenas of environmental activity within the Mission, but time did not permit the team to conduct a systematic review. What is clear is that the Mission's involvement in environmental issues spans both international commitments as well as specific concerns within the context of its own portfolio.

It would be useful to develop a monitoring system of the major environmental activities that the Mission undertakes. Since these activities are primarily located in the Agriculture and Rural Development Office, it would make sense to appoint an individual in this office to be in charge of a simple reporting system. Minimally, this system would include the achievement of major environmental actions and policies implemented by the GOB, reporting on activities undertaken by the joint DAC-GOB Commission, as well as significant environmental interventions undertaken under Mission projects to protect the natural resource base. This reporting system could be used to answer questions and report on environmental activities as requested by Congress and AID/Washington.

V. MAINTAINING USAID/BOLIVIA'S PROGRAM PERFORMANCE INFORMATION SYSTEM

A number of premises underlie the maintenance and further development of a useful Program Performance Information System in Bolivia, or elsewhere. These include:

1. Incorporate program performance information into existing reporting, review, and decision-making systems

There are several occasions when it would be possible and desirable to systematically review program information in relation to individual projects, program areas, or the entire portfolio. These include:

- responses to individual project evaluations and audits;
- semi-annual portfolio reviews;
- preparation and review of the Action Plan;
- preparation for periodic reviews of the overall A.I.D. program with the G.O.B.;
- periodic staffing analyses; and
- annual performance reporting proposed by LAC/W.

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

2. 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 and behavior, 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, rather than simply adding new ones. What is critical is getting the right information, about the right issues, to the right people, and at the right time for decision-making.

3. 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 two or three indicators be needed for analyzing any particular program element. Measures should also be kept as straight-forward as possible and indicators should not be delineated any more precisely or rigorously 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.

4. Use existing information sources as much as possible

Available secondary data (from censuses, routine surveys, administrative records, economic and trade statistics, etc.) often provide a sufficient basis for extremely 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.

5. 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. Data often can be collected through A.I.D.-assisted organizations within a given project. For example, agricultural producers organizations can be asked to provide information on the numbers of individuals and firms (respectively, male and female, and male-owned and female-owned) that they serve under the PAPO project as a measure of performance in program outputs in the Alternative Development program area. A variety of 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 be used to collect and analyze information at the strategic objective level.

6. Place as much emphasis on analyzing and interpreting information as on data collection as such

USAID/Bolivia already devotes considerable energy to collecting a wide range of project and program data. But unless attention is clearly focused on interpreting and using data, 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 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 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 ("how do you know that?" and "so what") associated with program results.

7. Take advantage of opportunities to strengthen indigenous program performance activities

Much of the program performance information that is useful to USAID/Bolivia will also be useful to Bolivian 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.

VI. NEXT STEPS

USAID/Bolivia has now committed itself to implementing a program approach to internal management and external reporting. To further implement its program performance information system, several steps would appear to be called for in the coming months. These include the following:

(1) Finalization of products of the consultancy: The Director, Program Office management, and the offices involved should review the listing of program emphases, indicators, and the relationship of projects to these program emphases. The objective would be to create a greater coherence of projects within a given program area to ensure that all projects are acting in concert toward the objective of the program. This program by program review can be done gradually, but the team suggests that the Mission first focus on the Alternative Development program area, followed by the Export Promotion Development and Diversification program area. Reviews may entail some degree of redesigning of existing projects.

(2) Assignment of responsibilities: Except in special cases, specific individuals should be assigned responsibility for monitoring and/or managing the Mission's efforts with regard to each of the program areas. This monitoring task may be delegated in significant measure to contractors, but someone on the staff should be responsible for ensuring that it is done. To "manage" an objective may not entail having control over all of the various contributing resources or projects -- in fact, it will not entail such control in several of the Mission's current program areas as some of these cross offices. In such cases, management responsibility nevertheless entails a substantial measure of accountability for program results and hence suggests the need for individuals involved to exercise whatever influence they can over those who manage the relevant projects and non-project activities. The same individual need not be assigned both management and monitoring responsibility, though there is some benefit to centralizing these responsibilities in a single individual. It is important, in any event, that the individual involved understand their responsibilities, believe in the objective they are asked to pursue, and agree that the proposed indicators represent fair criteria for judging program effectiveness.

(3) Setting targets: Data on most indicators is interpretable only in relation to some explicit or implicit target or comparison. In the context of preparing the FY 1991-92 Action Plan, targets for future performance were set for most of the indicators and program outputs. For those remaining indicators without targets, it is important to begin the process of agreeing on internally or relevant comparisons and/or targets for each one. The simplest such comparison is to measure change from the previous reporting period, but there are many cases where that is irrelevant and some where it is positively misleading.

Establishment of targets or comparisons typically requires the collection of baseline data and hence may be a demanding task in certain areas of the Mission's portfolio. While the team was able to assist the various offices in pinning down baseline data for most of the indicators and program outputs, the Action Plan program performance tables indicate where baseline data must still

be collected. This report reiterates which of those indicators did not have baseline information available in time for reporting on the recent Action Plan.

(4) Modifying M&E strategies for ongoing projects: Now that objectives and indicators are agreed upon, a review of the M&E systems of individual projects should be undertaken to ensure that such systems are as useful as possible in collecting, analyzing and packaging information on the designated program-level indicators and outputs. In a similar vein, future evaluations should, as appropriate, include in their scopes of work the development of program level information and/or the review of existing program monitoring procedures. Cross-office monitoring and evaluation systems will be needed for the Alternative Development and for the Export Promotion and Diversification program areas as several projects from both offices contribute to the program indicators and outputs. Chapter III discusses each program area and indicates where these cross-office systems are needed.

(5) Preparation of a Mission Order on monitoring and evaluation: A Mission Order on program-level monitoring and evaluation would be a good vehicle to spell out roles and responsibilities with respect to monitoring of each program area and to clarify how the data produced will be integrated into the Mission's reporting and review systems. It would be desirable to issue such an Order in the next month or two.

(6) Hiring of additional staff: The establishment and maintenance of the program performance information system would profit greatly from the presence of an individual specializing in information management and evaluation. He or she should work with individual program managers and office directors to clarify data sources, and to compile and present performance data on key indicators. This same individual should be able to assist the Program Office in preparing Mission-wide compilations and analyses of the data obtained, to assist individual offices in preparing monitoring and evaluation plans for new projects, and to coordinate the development of cross-office monitoring and evaluation plans for obtaining baseline data and tracking future program performance. A modest amount of outside TA might be useful in orienting, assisting, or otherwise supporting this individual.

(7) Revising EER process: All of the above changes would probably be furthered by explicit incorporation into the EERs of the individuals with program-level responsibility. While this is not essential, it would have the virtue of emphasizing the importance placed on the objectives involved and on the need for collecting data on program performance. Poor performance of a program in a given year does not necessarily imply poor management, however, just as failure to achieve a project purpose need not reflect poor management by the Project Officer involved. EER objectives might best be established in terms of individuals' program management functions, with special acknowledgement at the end of the year for positive program performance. EER revisions could be introduced now, but given the many other things to be done it might usefully await the next EER cycle.

ANNEX 1

MONITORING AND EVALUATING AT THE PROGRAM LEVEL

**PROGRAM = THE SET OF PROJECTS,
NON-PROJECT
ASSISTANCE AND
POLICY DIALOGUE
ACTIONS INTENDED TO
ACHIEVE A STRATEGIC
(I.E., ACTION PLAN)
OBJECTIVE**

CRITERIA FOR USEFUL PROGRAM PERFORMANCE INDICATORS

- **Strong Link To Impact**
- **Strong Link To A.I.D. Efforts**
- **Relevance and Credibility to a
Broad Range of Decision-Makers**
- **Feasibility of Objective
Measurement at Reasonable Cost**

ADDITIONAL ISSUES IN CHOOSING PROGRAM PERFORMANCE INDICATORS

- **Selectivity**
- **Periodicity**
- **Locus of Responsibility**
- **Comparison**

USEFUL TECHNIQUES

- PROGRAM LOGFRAME
- OBJECTIVE TREE

LESSONS LEARNED

- OBJECTIVES PRECEDE INDICATORS
- WORK BACKWARDS FROM UTILIZATION AND TREAT INVESTMENTS IN INFORMATION LIKE ANY OTHER INVESTMENT
- INSTITUTIONALIZE “SO WHAT”? AND “HOW DO YOU KNOW THAT?” FUNCTIONS INTO ONGOING REVIEW PROCESSES
- KEEP IT SIMPLE & USE EXISTING DATA SOURCES AND “LINKING STUDIES” AS MUCH AS POSSIBLE
- USE PROJECT MECHANISMS TO COLLECT MOST DATA
- CLEARLY DELINEATE PROGRAM MANAGEMENT AND PROGRAM INFORMATION ROLES & RESPONSIBILITIES
- AVOID FICTITIOUS GROUPINGS AND EXTRANEOUS LEVELS WHEREVER POSSIBLE
- TAKE ADVANTAGE OF OPPORTUNITIES TO STRENGTHEN HOST COUNTRY PROGRAM EVALUATION

USES AND PITFALLS

USES:

- **EXTERNAL ACCOUNTABILITY**
- **INTERNAL MANAGEMENT**
 - **Shared Vision**
 - **Promoting Linkages**
 - **Portfolio Concentration**
 - **Strategic Orientation**

PITFALLS:

- **OLD WINE, NEW BOTTLES**
- **USAID (vs. HOST COUNTRY) PROGRAMS**
- **GOING “HIGH” IN ORDER TO GO “WIDE”**
- **INADVERTENT DISINCENTIVES**

ANNEX TWO

CALCULATIONS: FINANCIAL MARKET DEVELOPMENT PROGRAM INDICATORS

La Paz, febrero 9 de 1990

RRNA-33/90/CA/pcb

M E M O R A N D U M

A : Gibbs Macdaniel
Coordinador Proyecto FMF

De : Camilo Arenas

Ref. : INFORME SOLICITADO

1. Relación oferta monetaria (M_2 y M_3) con el PIB para el año 1989.

(En millones de Bs.)

1.1 $M_2 = C + D + A$

Donde: C = Billetes y monedas en poder del público

D = Depósitos vista + cuenta Corriente en moneda -
Nacional.

A = Caja de ahorro + flujo fijo de moneda nacional.

$$M_{289} = 774.7$$

$$PIB_{89} = 12.013.0$$

$$M_2/PIB = 6.45\%$$

1.2 $M_3 = M_2 + A'$

Donde A' = Todos los depósitos en moneda extranjera.

$$M_3 = 2.240.1$$

$$PIB_{89} = 18.6\%$$

2. SPREAD BANCARIO al 6 de febrero de 1990

2.1 Moneda nacional sin mantenimiento de valor

Tasa activa al vencimiento promedio del sistema = 39.13%

Tasa pasiva promedio no ponderada del sistema = 23.31%

SPREAD 15.82%

..11. 2/9

- 2 -

2.2 Moneda Nacional con mantenimiento de valor:

Tasa activa al vencimiento Promedio del Sistema:	25.59%
Tasa Pasiva Promedio del Sistema	15.08%
	<u>10.51%</u>

2.3 Moneda extranjera:

Tasa activa al vencimiento Promedio del Sistema.	25.24
Tasa pasiva al Promedio no Ponderado del Sistema.	12.15
SPREAD	<u>13.09</u>

* FUENTE: Cuadro de tasas de interés y comisiones anuales efectivas ponderadas del sistema bancario correspondiente a la quincena finalizada el 6 de febrero de 1990 elaborado por el Banco Central de Bolivia.

3. Montos de Crédito otorgados durante las gestiones 1988 y 1989

FLUJO DEL FINANCIAMIENTO AL SECTOR PRIVADO
(en millones de \$us.)

GESTION/SECTOR	INDUSTRIA	AGROPECUARIO	MINERIA	OTROS	TOTAL
DIC 1988	25.4	52.2	8.0	42.0	127.6
DIC 1989	27.2	64.4	21.9	10.6	124.1

FUENTE: Banco Central de Bolivia.

* The spread figure of 12.81% reported for the 1991-1992 Action Plan is a weighted average of 2.1, 2.2, and 2.3. Together 2.2 and 2.3 account for 75% of the average figure reported.

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