

PA-ABF-363

ISN 66702

DEVELOPMENT OF PERFORMANCE MONITORING FOR USAID/HONDURAS

FINAL REPORT

April 1990

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**DEVELOPMENT OF
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FOR USAID/HONDURAS**

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	1
A. Purpose and Scope of Work	1
B. Methodology	1
C. Organization of the Report	3
II. THE PROGRAM AND ITS PERFORMANCE MONITORING	4
A. Program Summary	4
1. Goal #1: Sustainable and significant economic growth . . .	4
2. Goal #2: Broadened social and economic enfranchisement . .	4
3. Goal #3: Strong, truly responsive democratic institutions and processes	5
4. Strategic Objectives and Performance Indicators	5
Table 1: Strategic Objectives and their Performance Indicators .	6
B. Strategic Objective #1: Operations of Central Government rationalized and reduced in scope	9
1. Description and Relation to Goals	9
2. Performance Indicators	9
3. Supporting Program Outputs	10
C. Strategic Objective #2: Macroeconomic policies and policies for efficient resource allocation adopted	10
1. Description and Relation to Goals	10
2. Performance Indicators	11
3. Supporting Program Outputs	11
D. Strategic Objective #3: Sustainable increases in agricultural production	12
1. Description and Relation to Goals	12
2. Performance Indicators	12
3. Supporting Program Outputs	13

E.	Strategic Objective #4: Sustainable increases in exports of manufactured and nontraditional agricultural products	13
1.	Description and Relation to Goals	13
2.	Performance Indicators	13
3.	Supporting Program Outputs	14
F.	Strategic Objective #5: Sustainable increases in employment by small-scale enterprises and by export processing zone firms	14
1.	Description and Relation to Goals	14
2.	Performance Indicators	14
3.	Supporting Program Outputs	16
G.	Strategic Objective #6: Sustainable improvements in maternal and child health and nutritional status	16
1.	Description and Relation to Goals	16
2.	Performance Indicators	16
3.	Supporting Program Outputs	17
H.	Strategic Objective #7: Sustainable improvements in the primary education system	18
1.	Description and Relation to Goals	18
2.	Performance Indicators	18
3.	Supporting Program Outputs	19
I.	Strategic Objective #8: Strengthened capacity of the justice and legislative systems and of municipal governments	19
1.	Description and Relation to Goals	19
2.	Performance Indicators	20
3.	Supporting Program Outputs	21
J.	Strategic Objective #9: Voting and citizen participation increased	21
1.	Description and Relation to Goals	21
2.	Performance Indicators	22
3.	Supporting Program Outputs	22
III.	MONITORING PERFORMANCE OF CROSS CUTTING ISSUES	24
A.	Nutrition	24
B.	Women in Development	24
C.	Policy Reform	25
D.	Employment	26

IV. NEXT STEPS IN DEVELOPING AND IMPLEMENTING USAID/HONDURAS' PERFORMANCE MONITORING	27
A. Further development of Performance Monitoring	27
B. Assignment of responsibilities	28
C. Modification of monitoring and evaluation strategies for ongoing projects	29
D. Identification of additional staff requirements	29

CHARTS

- 1 Mission and Program Goals for USAID/Honduras for Fiscal Years 1991-95
- 2 Mission, Program Goals, and Strategic Objectives for USAID/Honduras for Fiscal Years 1991-95
- 3 Objectives for USAID/Honduras for Fiscal Years 1991-95 concerning Central Government Reform, Development of Financial Markets, and General and Sectoral Economic Policies
- 4 Objectives for USAID/Honduras for Fiscal Years 1991-95 concerning Agriculture, Exports, and Small-Scale Enterprise
- 5 Objectives for USAID/Honduras for Fiscal Years 1991-95 concerning Health, Family Planning, and Rural Water and Sanitation
- 6 Objectives for USAID/Honduras for Fiscal Years 1991-95 concerning Primary School Education
- 7 Objectives for USAID/Honduras for Fiscal Years 1991-95 concerning Democratic Institutions

I. INTRODUCTION

A. Purpose and Scope of Work

The purpose of the present report is to help USAID/Honduras set up Performance Monitoring to capture the development impact of the key programmatic areas of the Mission's portfolio.

When the system is installed, the Mission should be able to identify readily, and to have on hand, information that will be needed on a regular basis to judge the impact of AID support in various program areas and in the achievement of the higher level Mission goals. This information can be used for the Mission's own management purposes, and for reporting to AID/Washington and to Congress.

The present work is part of a series of Program Performance Indicator studies which AID/CDIE is conducting with various Missions with the assistance of Management Systems International. It comes at a time when the Honduras Mission is beginning to prepare its CDSS.

B. Methodology

The visiting team worked closely with the Mission's Program Office, who were of great assistance on technical and administrative matters. The team also enjoyed excellent access to and support from the various technical offices.

The present report was prepared by the following four individuals:

- T. Dwight Bunce, MSI, Team Leader
- Larry Heilman, MSI
- Robert E. Klein, MSI
- Patricia Vondal, AID/CDIE.

The team began work in Honduras on March 5, 1990, and completed a draft report on March 23.

The team took as a point of departure the broad mission statement as well as the three goals which the Mission had drafted in recent preparatory work for a new CDS. The team then developed "Strategic Objectives" for each of the major program areas making use of major program objectives already identified by the Mission. We endeavored to clarify the logic of how the project and non-project activities work together to achieve the "Strategic Objectives." The identification of Strategic Objectives is guided by two factors:

1. Worthy development objective.

It is something significant, often reflecting major Mission activity, be it from a single large project, or the combined impacts of several interrelated Mission activities.

2. Highest objective in a vertical chain of objectives for which the Mission is willing to be held accountable.

This is sometimes referred to as the highest objective within the Mission's "manageable interest."

Considerable judgment must be utilized to apply these two criteria to a Mission program.

Above the Strategic Objective level are the Mission Program Goals; below this level are the Program Outputs.

Through iterations with individual Mission offices, the team proposed and revised statements of Strategic Objectives and Program Outputs in order to arrive at ones which reflect the Mission's own views of its Program. The present report may be considered another iteration which is subject to further refinement.

Progress was also made in identifying Performance Indicators to measure progress on the Strategic Objectives, but further work on the indicators will be needed.

The following are definitions of terms used in this report:

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.

C. Organization of the Report

The following chapter begins with a presentation of the Mission's Program, setting forth the rationale of the nine Strategic Objectives which support achievement of USAID/Honduras' three Program Goals. The Strategic Objectives and their Performance Indicators are listed in Table 1. The principal Performance Indicators, which may be of particular value for reporting to AID/Washington, are in capital letters in this table. For each Strategic Objective, chapter II then notes its relation to the Program Goals, comments on its Performance Indicators, and discusses the supporting Program Outputs. For several Strategic Objectives, specific recommendations are made for further work to develop Performance Indicators.

Chapter III discusses four issues which cut across the Mission Program: Nutrition, Women in Development, Policy Reform, and Employment.

Chapter IV presents next steps for the further development and implementation of Performance Monitoring.

The reader of this report is encouraged to review closely the 7 charts at the end of the report. Charts 1 and 2 show the high level objectives of the Mission. Charts 3 through 7 present the nine Strategic Objectives and their supporting Program Outputs. The charts contain information, including linkages among Program Outputs, that is not repeated in the text.

II. THE PROGRAM AND ITS PERFORMANCE MONITORING

This chapter describes the Program of USAID/Honduras and discusses its Performance Monitoring. The Program Summary gives the rationale for the three Program Goals of the Mission and presents the nine Strategic Objectives and their Performance Indicators.

For each Strategic Objective, the chapter then describes its relation to the Program Goals, suggests Performance Indicators, and discusses the supporting Program Outputs. The chapter contains Table 1 which lists the nine Strategic Objectives and their Performance Indicators.

A. Program Summary

The mission of USAID/Honduras is to "Support the United States foreign policy objectives of improving the living standards of the Honduran people and strengthening democratic institutions." In pursuit of this mission, USAID/Honduras has three Program Goals:

1. Sustainable and significant economic growth
2. Broadened social and economic enfranchisement
3. Stronger, truly responsive democratic institutions and processes.

As suggested by the arrows in Chart 1, each of the Program Goals is functionally related to the others, such that progress toward achievement of any of them affects achievement of the others.

1. Program Goal # 1: SUSTAINABLE AND SIGNIFICANT ECONOMIC GROWTH

USAID/Honduras supports a strategy of economic growth, growth which is not only significant in magnitude, but sustainable. The Mission's policy agenda will reduce constraints to economic growth. Sectoral interventions, such as those supporting increased agricultural production and exports of manufactured and nontraditional products, are intended to spur economic growth in sectors where great potential is considered to exist.

The "sustainability" of growth is pursued via open market approaches and less dependence on government actions as well as by proper management of natural resources.

2. Program Goal # 2: BROADENED SOCIAL AND ECONOMIC ENFRANCHISEMENT

This Program Goal is concerned with the marked differences in social and economic conditions of the population of Honduras, and addresses distortions in access to the basic necessities of daily life. USAID/Honduras seeks to improve nutritional status; to increase job opportunities; to promote wider and more equitable access to services for health, education, and shelter; and to promote citizens' ability to organize effectively on their own behalf.

3. Program Goal # 3: STRONGER, TRULY RESPONSIVE DEMOCRATIC INSTITUTIONS AND PROCESSES

This Program Goal refers to the institutions and processes which are of critical importance to a democratic nation. It seeks to improve the effectiveness and accessibility of key democratic institutions as well as to promote processes that will support greater civic and political participation of the Honduran population in determining their country's future on both the national and local levels.

4. Strategic Objectives and Performance Indicators

The team identified nine Strategic Objectives which may be considered the Mission's operational strategy. The Strategic Objectives and their Performance Indicators are listed in Table 1, which begins on the following page. In the table and in the text of this chapter the principal Performance Indicators are in capital letters; the others in lower case. Quantified annual levels to be reached will need to be established for the Performance Indicators for 1991 through 1995; in some cases, baseline data will first have to be developed.

As illustrated by Chart 2, the first seven Strategic Objectives contribute primarily to the first two Program Goals; the eighth and ninth to the third Program Goal.

TABLE 1
STRATEGIC OBJECTIVES AND THEIR PERFORMANCE INDICATORS

The principal indicators are capitalized.

STRATEGIC OBJECTIVE # 1:

OPERATIONS OF CENTRAL GOVERNMENT RATIONALIZED AND REDUCED IN SCOPE

Performance Indicators

REDUCTION IN THE CENTRAL GOVERNMENT DEFICIT AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT

Reduction in Central Government subsidies to state-owned enterprises

Reduction in Central Government expenditures resulting from a devolution of authority to municipalities

STRATEGIC OBJECTIVE # 2:

MACROECONOMIC POLICIES AND POLICIES FOR EFFICIENT RESOURCE ALLOCATION ADOPTED

Performance Indicators

REDUCTION IN THE AVERAGE EFFECTIVE TARIFF PROTECTION RATE

Number of rural families receiving fee simple titles for properties which are currently national lands

STRATEGIC OBJECTIVE # 3:

SUSTAINABLE INCREASES IN AGRICULTURAL PRODUCTION

Performance Indicators

INCREASED REAL AGRICULTURAL GROSS DOMESTIC PRODUCT

Increased number of hectares under active management for sustainable yield

TABLE 1 (cont'd)

STRATEGIC OBJECTIVE # 4:

SUSTAINABLE INCREASES IN EXPORTS OF MANUFACTURED AND NONTRADITIONAL AGRICULTURAL PRODUCTS

Performance Indicators

INCREASES IN THE VALUE OF EXPORTS OF MANUFACTURED AND NONTRADITIONAL AGRICULTURAL PRODUCTS

STRATEGIC OBJECTIVE # 5:

SUSTAINABLE INCREASES IN EMPLOYMENT BY SMALL-SCALE ENTERPRISES AND BY EXPORT PROCESSING ZONE FIRMS

Performance Indicators

INCREASED EMPLOYMENT BY SMALL-SCALE ENTERPRISES AND BY EXPORT PROCESSING ZONE FIRMS

STRATEGIC OBJECTIVE # 6:

IMPROVED MATERNAL AND CHILD HEALTH AND NUTRITIONAL STATUS

Performance Indicators

REDUCTION OF THE INFANT MORTALITY RATE

Increased contraceptive prevalence

Improved nutritional status of children under five years of age

STRATEGIC OBJECTIVE # 7

SUSTAINABLE IMPROVEMENTS IN THE QUALITY AND EFFICIENCY OF THE PRIMARY EDUCATION SYSTEM

Performance Indicators

ACHIEVEMENT TEST PERFORMANCE SCORES FOR CHILDREN IN GRADES 1, 2, AND 3

Rates of promotion between the first and second grades

TABLE 1 (cont'd)

STRATEGIC OBJECTIVE # 8:

STRENGTHENED CAPACITY OF THE JUSTICE AND LEGISLATIVE SYSTEMS AND OF MUNICIPAL GOVERNMENTS

Performance Indicators

REDUCTION IN THE AVERAGE INTERVAL BETWEEN THE INITIATION OF A CIVIL OR CRIMINAL CASE AND ITS COMPLETION

AMOUNTS OF NEW SOURCES OF REVENUE COLLECTED AND AMOUNTS OF EXPENDITURES FOR PROVISION OF NEW SERVICES BY SELECTED LARGE CITIES

STRATEGIC OBJECTIVE # 9:

VOTING AND CITIZEN PARTICIPATION INCREASED

Performance Indicators

PERCENTAGE OF VOTER-ELIGIBLE HONDURANS REGISTERED AND PROVIDED WITH I.D. CARDS.

B. Strategic Objective # 1

1. Description and Relation to Program Goals

The first Strategic Objective is:

OPERATIONS OF CENTRAL GOVERNMENT RATIONALIZED AND REDUCED IN SCOPE

Increases in revenues and the control of costs will reduce the central government deficit, increasing the credit available to finance private sector investment growth. Better control of costs and the reduction of subsidies to state-owned enterprises, through their privatization or better management, will enable the central government to direct more attention to the efficient delivery of social services such as health and education. Devolving authority for certain functions to the municipalities will place these functions closer to the beneficiaries, where they can participate more effectively in democratic, decision-making processes.

A leaner and more efficiently operated central government will contribute both to economic growth and an equitable sharing of the benefits of that growth (the first and second Program Goals).

2. Performance Indicators

The following Performance Indicators are suggested:

REDUCTION IN THE CENTRAL GOVERNMENT DEFICIT AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT

Reduction in Central Government subsidies to state-owned enterprises

Reduction in Central Government expenditures resulting from a devolution of authority to municipalities.

The first Performance Indicator is the principal one for measuring achievement of this Strategic Objective. It captures much of the accomplishment of the supporting Program Outputs, which are shown in Chart 3.

The second and third Performance Indicators are useful for indicating the impact of the privatization and devolution to municipalities Program Outputs. Success in these two areas also contributes to the reduction in the central government deficit and is reflected as well in the first indicator.

The term "subsidies" is used in the second Performance Indicator to refer to payments by the Central Government to cover the losses of state-owned enterprises. This definition excludes additional investments (outflows of funds) of the central government to profitable enterprises.

The third Performance Indicator is well-suited for a program in which both expenditure and revenue collection authority are devolved to municipalities. If, on the other hand, the central government devolves

expenditure responsibility but finances the local costs through revenue sharing, then the indicator would need to be revised. For example, if central government expenditures are defined to exclude transfers to municipalities, the present indicator could usefully indicate devolution of spending authority, even though the central government deficit overall is not reduced. In other words, planned transfers and expenditure devolution could contribute to the Strategic Objective's rationalization of the Central Government in the absence of any impact on the Central Government's deficit.

3. Supporting Program Outputs

As shown in Char: 3, there are seven Program Outputs which contribute to this Strategic Objective. All seven concern either the magnitude of the central government's budget or the efficiency with which the central government operates.

The rationalization of the central government is associated with Program Outputs such as controlling recurrent costs, in part through better accounting and budgeting, and the privatization or more efficient management of state-owned enterprises. The reduction in the scope of the central government is to be achieved, for example, by increasing revenues and controlling expenditures and by devolving more revenue collection and service provision authority to the municipalities.

C. Strategic Objective # 2

1. Description and Relation to Program Goals

The second Strategic Objective is:

MACROECONOMIC POLICIES AND POLICIES FOR EFFICIENT RESOURCE ALLOCATION ADOPTED.

The policy agenda of USAID/Honduras, which is large, includes macroeconomic policies for stabilization and growth purposes, and general and sector-specific policies for efficient resource allocation.

The policy agenda reinforces technical and sectoral activities of the Mission Program. Indeed the policy agenda, while contributing to a bona fide Strategic Objective of its own, also facilitates achievement of the other Strategic Objectives. The linkages are so strong in the case of the economic sectors that many of the Program Outputs are repeated on Chart 3.

This Strategic Objective contributes directly to economic growth (Program Goal # 1) and, through increasing employment and access to markets, to broadened social and economic enfranchisement (Program Goal # 2). The freer flows of information associated with open markets will contribute to spreading the benefits of growth (Program Goal # 2) and to democracy (Program Goal # 3).

2. Performance Indicators

It is difficult to establish a single Performance Indicator, or even a few Performance Indicators, that captures the bulk of the impact of the numerous and wide-ranging Program Outputs shown for this Strategic Objective on Chart 3. The alternative of devising a long list of Performance Indicators and combining them into a single weighted index would require venturing onto the treacherous terrain of scaling each item and assigning weights, which would be very subjective.

We suggest a middle course of utilizing a few Performance Indicators, but supplement them with the informed judgment of the Mission Director on Honduran progress on the broad policy agenda. We suggest the following Performance Indicators, which correspond to policies of particular importance:

REDUCTION IN THE AVERAGE EFFECTIVE TARIFF PROTECTION RATE

Number of rural families receiving fee simple titles for properties which are currently national lands.

For the first Performance Indicator, the average would be computed by weighting individual effective tariff protection rates with the volumes traded internationally.

The second Performance Indicator measures the impact of revised land use and forestry tenure laws (Chart 3, the Program Output shown at the upper far right). Making land a saleable asset subject to supply and demand may be considered part of the Strategic Objective's "efficient resource allocation." [This same Program Output is repeated under the agricultural production Strategic Objective.]

3. Supporting Program Outputs

As shown on Chart 3, there are 15 Program Outputs under this Strategic Objective covering a wide range of activity relating to

- general economic policy, e.g., "domestic price controls eliminated,"
- development of financial markets and finance sector policies, e.g., "market-determined interest rates,"
- trade policies, e.g., "quantitative restrictions on imports eliminated," and
- agricultural policies, e.g., "land and water conservation policies improved."

The supporting Program Outputs concern general economic policy, development of financial markets, and policies for finance, trade, and agriculture, as indicated by the sector categories at the bottom of Chart 3.

The group of eight Program Outputs in the "development of financial markets and finance sector policies" reflects ongoing technical and policy activities. But the grouping of six Program Outputs under the Program Output "efficient and integrated financial markets developed" also responds to the intention of the Private Sector Program to give more emphasis to financial markets in the new CDSS period. The Project Paper for a financial markets project, the completion of which is anticipated in the next few months, may permit a refinement of these Program Outputs and an identification of appropriate indicators for them.

D. Strategic Objective # 3

1. Description and Relation to Program Goals

The third Strategic Objective is:

SUSTAINABLE INCREASES IN AGRICULTURAL PRODUCTION.

Agricultural production is an important part of Gross Domestic Product; its expansion directly contributes to economic growth. As agricultural production expands, agricultural employment increases contributing to the spreading of economic benefits. The Mission's agricultural projects include activities targetted to the small farmer, such as land tilling and productive use of hillsides. Improved macroeconomic and agricultural policies and increased agricultural production will increase rural purchasing power, which, in turn, will result in improved nutrition for rural families.

This Strategic Objective contributes directly to the first and second Program Goals.

2. Performance Indicators

The following Performance Indicators are suggested:

INCREASED REAL AGRICULTURAL GROSS DOMESTIC PRODUCT

Increased number of hectares under active management for sustainable yield.

The first Performance Indicator is the principal one in that it responds to the broad sweep of the Mission's agricultural interventions, from exchange rate policy to agricultural research. The use of "real" agricultural gross domestic product is intended to reflect the impacts of adopted policy. The Agricultural Sector Strategy Paper (February 1990) stresses that adoption of various policies should increase real agricultural prices.

As discussion of the fourth Strategic Objective explains, some of the increased value of agricultural gross domestic product is also included in exports; accordingly, the value of this Performance Indicator should not be added to the value of exports.

The second Performance Indicator concerns the preservation of the agricultural resource base and thus addresses the sustainability of the increased agricultural production.

3. Supporting Program Outputs

There are eight, quite varied, supporting Program Outputs for this Strategic Objective, as shown in Chart 4. The first four in the group of boxes beginning with the "Land Use..." Program Output are also on Chart 3, illustrating the mutually supporting and interlocking nature of the Mission's policy, technical, and sectoral activities.

E. Strategic Objective # 4

1. Description and Relation to Program Goals

The fourth Strategic Objective is:

SUSTAINABLE INCREASES IN EXPORTS OF MANUFACTURED AND NONTRADITIONAL AGRICULTURAL PRODUCTS.

USAID/Honduras sees great potential for Honduras in being able to export more. Additional exports will help the balance of payments, strengthen the Lempira, increase domestic value-added in agriculture and in processing, and increase the associated employment and income.

This Strategic Objective directly contributes to achievement of the first and second Goals.

2. Performance Indicators

The following Performance Indicator is suggested:

INCREASES IN THE VALUE OF EXPORTS OF MANUFACTURED AND NONTRADITIONAL AGRICULTURAL PRODUCTS.

The Performance Indicator focuses, as does the Mission's interventions, on commodities with the greatest potential for increased exports. Although excluded from this Performance Indicator, the increased value of production of traditional agricultural products (such as coffee) is captured in the Performance Indicator for the third Strategic Objective.

The value for this Performance Indicator should not be added to the real agricultural gross domestic product Performance Indicator for the third Strategic Objective because of a double-counting problem. Included in the value of both manufactured and nontraditional agricultural exports is agricultural value-added. Consideration was given to recasting either the third or fourth Strategic Objective to avoid this problem, but it appeared that to do so would create other problems in disaggregating the economic

data. More seriously, the present statements reflect two important Mission Program emphases and seem to capture well a host of Mission interventions.

Similarly, although the units of measure are different, the Performance Indicators for the both fourth and fifth Strategic Objectives (the fifth being sustainable increases in employment) would increase in response to increased economic activity in export processing zones. The principal impacts on domestic value added of the export processing zones are on wages paid and on the rent for the use of the buildings. Most tenants in the near future are expected to assemble goods using imported inputs and to retain export proceeds, including profits, abroad; they provide a minimal benefit to the Honduran balance of payments. Thus it is appropriate to include the impacts of the export processing zones in the fifth Strategic Objectives.

3. Supporting Program Outputs

As shown in Chart 4, there are ten Program Outputs directly contributing to this Strategic Objective in addition to agricultural technology Program Output which contributes indirectly. Program Outputs include improvements in the growing of nontraditional crops, the design and manufacturing of industrial products, credit, and export marketing. In the group of ten Program Outputs, the four on the right are repeated from the "Trade Policies" Program Outputs on Chart 3. This duplication in the technical charts illustrates how the policy agenda and sectoral activities reinforce each other.

F. Strategic Objective # 5

1. Description and Relation to Program Goals

The fifth Strategic Objective is:

SUSTAINABLE INCREASES IN EMPLOYMENT BY SMALL-SCALE ENTERPRISES AND BY EXPORT PROCESSING ZONE FIRMS.

The Strategic Objective reflects Program Outputs to increase the use of the export processing zones and the development of small-scale enterprises (SSE). By generating jobs for both unskilled and skilled workers, this Strategic Objective contributes both to economic growth and the sharing of that growth, corresponding to the first and second Program Goals.

2. Performance Indicators

The following Performance Indicator is suggested:

INCREASED EMPLOYMENT BY SMALL-SCALE ENTERPRISES AND BY EXPORT PROCESSING ZONE FIRMS.

The Performance Indicator is the sum of the increased employment from small-scale enterprise (SSE) and export processing zone firms. Measuring

employment impacts in the export processing zones is straightforward. From Mission project activities it should be possible to obtain reliable estimates of employment in export processing zones. These jobs may reasonably be considered net additions to Honduran employment.

Through the Small Business Development II Project (522-0241) credit, technical assistance, and training are to be provided to micro, small, and medium sized manufacturing, service, and commercial firms, located primarily in Tegucigalpa, San Pedro Sula, Choluteca, and La Ceiba. There are two broad problems in measuring employment generation in the SSEs:

1. measuring the increases in employment, or the maintenance of the level of employment, in the firms assisted by the project, and
2. judging the extent to which these employment effects are net changes in Honduran employment.

Fortunately, the Small Business Development II Project (SBD II) has activities underway or planned which, with perhaps some additional work, could overcome these problems.

At present SBD II is developing baseline data for the SSEs which have received (or are to receive) project-financed credit. There are plans to extend the database to include those firms which are recipients of the project's technical assistance and training. In February 1990 the project's contractor, Robert R. Nathan Associates, Inc., submitted to USAID/Honduras the design of longitudinal survey intended to measure the project's impacts. The design includes a stratified sampling by location, size of firm, sex of the beneficiary, and economic sector. The questionnaire will seek information on various items, including employment and the effect of policy-related problems such as transportation services, interest rates, and the exchange rate. The design also includes a control group.

The surveys potentially would enable the Mission to estimate the increases in employment in SBD II-assisted SSEs [or the maintenance of existing jobs] and to deflate those increases by a factor reflecting the extent to which the control group firms' employment also increased, thus attaining an estimate of the net increases in the employment of SSEs attributable to a reasonably significant degree to Mission activities.

A complicating element in using the control group is that both the assisted and unassisted SSEs may be helped by the implementation of various Mission-support policy and infrastructure interventions. Suppose, for example, the surveys suggest that increased employment of all SSEs is partly attributable to increased access to foreign exchange, which in turn may be partly associated with the Mission's policy agenda. Then the "deflator" should be adjusted accordingly, and, moreover, some of the increased employment of the control group firm could be included in the net employment impact measure. Although this reasoning is logical, in practice professional judgment may have to be relied on to arrive at the final estimates of the net employment impact.

We suggest that the Mission ask Robert R. Nathan Associates to review its methodology in light of the need to provide data for this Strategic Objective. The Mission should also ask Robert R. Nathan Associates to design the survey such that it has sufficient statistical power that in the event net SSE employment increases were small, they would call into serious question the employment-related success of the SBD II. [SBD II could still be contributing usefully to improved financial intermediation.]

3. Supporting Program Outputs

The four supporting Program Outputs, which are shown in Chart 4, concern improving SSEs technically and increasing their use of credit, having private financial institutions use a rediscount facility and guarantee fund for SSEs, and increased use of export processing zones.

G. Strategic Objective # 6

1. Description and Relation to Program Goals

The sixth Strategic Objective is:

IMPROVED MATERNAL AND CHILD HEALTH AND NUTRITIONAL STATUS

The USAID Mission in Honduras has determined that health is one of the social sectors where a significant contribution can be made. Although there has been some overall improvement in national health status in recent years, health status in rural areas continues to lag far behind that for urban centers. The USAID strategy in this area involves three major components: child survival, rural water and sanitation, and family planning. Specific activities focus on improving the quality and coverage of service delivery, encouraging greater private sector participation in these areas, and the promotion of community involvement.

This Strategic Objective contributes directly to the achievement of the second Program Goal, and indirectly to the first.

2. Performance Indicators

Three Performance Indicators for this Strategic Objective are suggested:

REDUCTION OF THE INFANT MORTALITY RATE

Increased contraceptive prevalence

Improved nutritional status of children under five years of age

The suggested target for the first Performance Indicator would be to attain a reduction from 60 infant deaths per thousand live births to 45 per thousand. Infants refers to babies up to one year of age.

The suggested target for the second Performance Indicator would be to attain an increase to 50 % from the present 45 % in the use of contraceptives by women of childbearing age.

The third Performance Indicator refers to moderate and severe malnutrition, defined as the percentage of children under five with inadequate weight for their age. This proportion is to be reduced by 1.8% per year. As an alternative, consideration could be given to using the weight/height relationship as an indicator for malnutrition. Whether or not a nutritional Performance Indicator will be applied for children in specific geographical areas will be determined in the context of a pending decision on the feasibility of developing a targeted multisectoral nutrition intervention program.

It would be useful to include a direct Performance Indicator for maternal health status as well. Maternal mortality was discussed and rejected by USAID/Honduras staff because the available data is seriously inaccurate, and it isn't clear that acceptably accurate maternal mortality data can be obtained at a reasonable cost. Another possibility would be to rely on an indirect, or proxy, Performance Indicator such as improved child spacing or service statistics for programs specifically directed at women such as prenatal care, childbirth and postnatal care. The USAID/Honduras staff will review the options and make a final decision on the feasibility of including a fourth Performance Indicator for this Strategic Objective.

3. Supporting Program Outputs

The seventeen Program Outputs which directly support the sixth Strategic Objective are presented in Chart 5: nine are directly related to health service delivery, four support safe water and sanitation, one is related to supplementary feeding, and three are associated with the provision of family planning services. In addition, the lower level of Chart 5 identifies ten health sector institutional strengthening activities which directly support the seventeen program outputs.

Baseline data are available for each of the seventeen Program Outputs, permitting establishment of targets for the indicators of each Program Output. Representative sample surveys of service delivery activities, which are conducted periodically, are a timely source of data for some of the Program Outputs. National sample surveys are also conducted every three or four years and provide Performance Indicator data related to infant mortality and contraceptive prevalence.

H. Strategic Objective # 7

1. Description and Relation to Program Goals

The seventh Strategic Objective is:

SUSTAINABLE IMPROVEMENTS IN THE QUALITY AND EFFICIENCY OF THE PRIMARY EDUCATION SYSTEM

This Strategic Objective seeks to improve the quality and efficiency of primary education and promote administrative and policy reform in the Ministry of Education. Specific activities in service of this objective include in-service teacher training programs, community based programs for school construction and maintenance, the implementation of management and policy reforms, and the development and distribution of text books and other educational material upon which a national performance evaluation system can be based.

This Strategic Objective contributes directly to the achievement of the second Goals, and indirectly to the first.

2. Performance Indicators

Two Performance Indicators for this Strategic Objective are suggested:

ACHIEVEMENT TEST PERFORMANCE SCORES FOR CHILDREN IN GRADES 1, 2 AND 3

Rates of promotion between the first and second grades.

The first Performance Indicator is essential for measuring progress toward this Strategic Objective. Performance test scores would provide a direct measure of learning, which is the most important result of the primary education system. Performance testing would also provide rational criteria for promotion, something the system currently lacks. Without such a yardstick, it is essentially impossible to evaluate the impact of the USAID effort to support improvements in the primary education system.

We recommend that short-term technical assistance be recruited to help develop performance tests, based on MOE approved learning objectives, for grades 1,2 and 3. This activity should be undertaken as soon as possible in order to have the tests in place to gather baseline data on a representative sample of children at the beginning of the 1991 school year. This is feasible if work on test development were to begin by May of this year (1990).

The second Performance Indicator will reflect improvements in the primary education system at one of the most troublesome points. The passage from first to second grade is the stage where many children fail, resulting in overcrowded classrooms, a poor learning environment and eventually high drop-out rates. It is widely believed that idiosyncratic promotion criteria is an important factor in the low passage rates. It should be noted that there is currently some discussion in the Ministry of Education of automatic

promotion from first to second grade. Should this be implemented, this Performance Indicator would become irrelevant. Nevertheless, for the present, this Performance Indicator can provide useful information on the efficiency of the educational system as promotion criteria are standardized and implemented.

3. Supporting Program Outputs

The three Program Outputs directly supporting the seventh Strategic Objective (Chart 6) concern text books, learning objectives and a performance evaluation system, and a media program. Data are available to monitor progress with respect to these Program Outputs. Four institution strengthening activities further reinforce the efforts to achieve this Strategic Objective. Similarly, indicators have been identified and data are available to monitor the progress of institution strengthening.

I. Strategic Objective # 8

1. Description and Relation to Program Goals

The eighth Strategic Objective is:

STRENGTHENED CAPACITY OF THE JUSTICE AND LEGISLATIVE SYSTEMS AND OF MUNICIPAL GOVERNMENTS

This Strategic Objective directly contributes to the achievement of the third Goal:

STRONGER, TRULY RESPONSIVE DEMOCRATIC INSTITUTIONS AND PROCESSES.

The Strategic Objective concerns the strengthening of the capacity of political institutions. The justice and legislative systems deal directly with the exercise of power in society; a judge may send a person to jail and legislators can pass laws that require compliance. Increased professionalism in the system of justice and the improved ability of legislators to draft legislation should strengthen these branches vis-a-vis the traditionally more powerful executive branch.

The strengthening of municipal government is included in this Strategic Objective because of the anticipated shift of power from the central government to municipalities. As shown in Chart 7, a supporting Program Output is "more authority devolved to municipalities for revenue collection, service provision, and urban land management." This shift, together with capacity building through training and technical assistance, is intended to allow the exercise of more political decision making at the local level. In view of the long-standing, highly centralized Honduran system of government and its mixed record of service delivery, USAID/Honduras considers the empowerment and strengthening of local government to be supportive of the third Program Goal.

USAID/Honduras has determined that it can make a significant contribution to democracy by assisting in the strengthening of the key democratic institutions of the judiciary, the legislature, and municipal government. Increasing their effectiveness and outreach will help provide more balance with the traditional strong executive branch of the central government.

Specific measures include assistance in establishing career service systems for the judicial and legislative branches, training for the Justice of Peace and Public Defender programs, strengthening the Honduran judicial school, improving the judicial administrative system, establishing libraries in the judicial centers, training legislators and strengthening the legislative process, improving the administrative functions of Congress, and establishing a center for legislative support. The devolution of revenue and expenditure responsibilities to the municipal level will be encouraged. Activities to strengthen the capabilities of municipalities to carry out existing and expanded responsibilities will be implemented.

2. Performance Indicators

The Performance Indicators for this Strategic Objective should reflect "capacity strengthening" for the three involved institutions.

Judicial System

Several planned improvements should speed up the judicial process considerably, suggesting the following Performance Indicator:

REDUCTION IN THE AVERAGE INTERVAL BETWEEN THE INITIATION OF A CIVIL OR CRIMINAL CASE AND ITS COMPLETION

Without any consideration of the quality of the judicial decisions, one could still assert that "justice" will have improved as the indicators improve because "justice delayed is justice denied."

The Strengthening Democratic Institutions Project (522-0296) could be assigned the responsibility to provide baseline data and to measure progress annually.

Legislative System

Because "laws" are so qualitatively different, it is inappropriate to devise a Performance Indicator based on the number of laws. It would also be difficult to measure the extent to which the Honduran legislators played a more active role in drafting legislation, as contrasted with simply passing bills which had been originally drafted by the executive branch.

Those involved in implementing the Mission's activities may be able to develop appropriate Performance Indicators. Or USAID/Honduras could contract a suitably qualified political scientist on a short-term basis to propose indicators which can be verified with reasonable objectivity, or, failing that, to recommend an alternative approach. One alternative could be to

survey the views, in a properly structured fashion, of those very familiar with the legislative process.

The Strengthening Democratic Institutions Project (522-0296) could eventually be assigned the responsibility to develop the baseline data and to measure progress annually.

Municipal Governments

Given the Mission's emphasis on the "shift of power," we suggest the following Performance Indicator:

AMOUNTS OF NEW SOURCES OF REVENUE COLLECTED AND AMOUNTS OF EXPENDITURES FOR PROVISION OF NEW SERVICES BY SELECTED LARGE CITIES

The qualifying phrase "selected large cities" is used because the Municipal Development Project (522-0340), although providing training to most municipalities in Honduras, will be targetting some of its training and technical assistance on 10 to 12 of the largest cities.

The Municipal Development Project could be assigned the responsibility to develop the baseline data and to monitor progress.

3. Supporting Program Outputs

There are 15 Program Outputs supporting the eighth Strategic Objective, as shown in Chart 7: seven Program Outputs for the Legislative System; five for the Judicial System; and three for Municipal Government. The wording of many of the Program Outputs suggest obvious indicators such as

- number of libraries in judicial centers established, or
- percentage of new laws and judicial ruling published on a reasonably current basis [with 3 months?].

Indicators for others will require further analysis and identification of sources of information.

J. Strategic Objective # 9

1. Description and Relation to Program Goals

The ninth Strategic Objective is:

VOTING AND CITIZEN PARTICIPATION INCREASED.

This Strategic Objective seeks to increase voting and citizen participation as a means of involving greater numbers of Honduran citizens in democratic processes. It complements the previous Strategic Objective in helping to achieve the third Mission Goal.

Specific measures include strengthening the capability of the National Electoral Tribunal/National Registry of Persons (TNE/RNP) staff to carry out electoral processes at the central, departmental, and municipal levels, updating the civil registry as a key step for citizen voter registration, devolving authority for planning, budgetary and service delivery from the central government to municipalities, technical assistance and training to improve municipalities carrying out these functions, and participant training in democratic leadership for municipal officials and for local civic organizations.

Increased voting and citizen participation are clearly related to the third Program Goal.

2. Performance Indicators

The following Performance Indicators is suggested:

PERCENTAGE OF VOTER-ELIGIBLE HONDURANS REGISTERED AND PROVIDED WITH I.D. CARDS

It captures well the impacts of the electoral system improvements (Chart 7) and should also, to some extent, serve as a proxy for non-voting kinds of citizen participation.

Consideration should be given to developing a second Performance Indicator in order to capture the impacts of such citizen participation related Program Outputs as training elected officials to be responsive to their constituencies, training civic organizations in democratic processes, and increasing local community participation in the provision of certain services. Citizen participation could include a group expressing its view at a city budget hearing, and a "patronato" assuming responsibility for maintaining waterlines and collecting user fees in a section of a city.

This Performance Indicator would require further study and would, in all likelihood, have to be supplemented by more subjective assessments of increased citizen participation. Those involved in implementing the Mission's activities may be able to develop an appropriate Performance Indicator. Or USAID/Honduras could consider using the short-term technical assistance support of a contracted political scientist.

3. Supporting Program Outputs

There are nine Program Outputs supporting the ninth Strategic Objective, as indicated by the capitalized footings in Chart 7: three for Municipal Government; three for the Electoral System; and three others. Chart 7 is drawn to indicate that the 3 Municipal Government Program Outputs contribute to this Strategic Objective as well as the previous one. Of the 3 municipal Program Outputs, the most pertinent to the ninth Strategic Objective is "elected municipal officials trained in democratic leadership and in responsiveness to constituent needs."

The "other" category of Program Outputs (Chart 7) consists of

- local civic leaders trained in democratic processes, to be carried out under the Municipal Development Project,
- local community participation increased in provision of health, primary education, and water and sewerage services, all of which could be promoted under various projects in the Mission's portfolio, and
- Peace Scholarships, on the supposition that training for disadvantaged Hondurans in the United States will result in their subsequent increased participation in Honduran civic life.

With the exception of the Peace Scholarships, further analysis should result in development of indicators and the identification of data sources for the Program Outputs which support the ninth Strategic Objective.

III. MONITORING PERFORMANCE OF CROSS CUTTING ISSUES

This chapter discusses four issues that cut across the Mission's Program.

A. Nutrition

A 1987 national nutrition survey revealed continued high levels of chronic childhood malnutrition throughout the country and alarmingly high indices of acute malnutrition in several rural zones. It is widely recognized that nutritional deficiencies of this magnitude cannot be adequately addressed simply by food assistance programs or single sector development interventions. Rather, a concerted multisectoral effort, which recognizes profound rural poverty as the underlying cause of child malnutrition, will be necessary.

USAID/Honduras is cognizant of the problem and recognizes that malnutrition is a reflection of underlying social and structural maladies in the Honduran society, and that, as such, it is relevant to many of the Mission's programs. A recently completed study focused on this issue, and will provide the framework for developing a comprehensive Mission strategy to address childhood malnutrition. A team of senior Mission staff has been assembled and will make recommendations shortly for an integrated program effort in this area.

Because of the cross-cutting nature of the nutrition problem, program activities in different USAID/Honduras offices will necessarily be involved in any comprehensive strategy. For example, Program Outputs in the agricultural sector which are designed to support the Strategic Objective of increased agricultural production (and farm income and rural purchasing power) [Chart 4] will contribute directly to a reduction in the incidence of childhood malnutrition, which is itself one of the Performance Indicators for the Strategic Objective of improved maternal and child health. Other program activities in the health sector [Chart 5], such as safe water and human waste disposal, supplementary feeding of high risk children and a range of child survival interventions bear directly on the nutrition problem. By improving health services, local community participation [Charts 4 and 7] also contributes to improved nutrition.

The Performance Monitoring discussed in this document, with its emphasis on the use of Program Performance Indicators for measuring the impact of Strategic Objectives, provides a suitable framework for the management and evaluation of cross-cutting program issues, such as malnutrition.

B. Women in Development

Issues relevant to the status of women and to their full participation in activities supported by USAID/Honduras cut across all of the Mission's programs and influence the achievement of each of the stated objectives with few exceptions. When utilizing Performance Indicators and indicators for the Program Outputs, every effort should be made to see that these are

disaggregated by gender where appropriate. Such gender-disaggregation is seen as appropriate whenever the indicator or output measure is expressed in terms of individuals (or a proxy). In terms of the indicators, these include increases in the number of employees of small-scale commercial and manufacturing firms, reduction in infant mortality, contraceptive prevalence, nutritional status, number of children enrolled in primary school, and the percentage of voter-eligible Hondurans registered and provided with I.D. cards. 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 improvement in the 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/Honduras's 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 the Mission's projects on the condition of women in Honduras. Third, discussion of these indicators and outputs with Mission personnel leads to a greater level of awareness about the Mission's WID strategy and reporting requirements in the Semi-Annual Reports and other review processes. Fourth 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.

USAID/Honduras has already begun collecting gender-disaggregated data for many of its projects. The program performance information system encourages this activity on a program level. Once gender-disaggregated baseline data is established for each of the indicators and program output indicators (as appropriate), the Mission should then set meaningful yearly targets for increasing women's participation and service coverage.

C. Policy Reform

USAID/Honduras has an extensive policy agenda that includes policies that affect stabilization as well as efficient resource allocation through open markets and broad participation in the benefits of development. Some policies affect the economy in general; others have their primary impacts in particular economic sectors. The Mission is well aware of the linkages among policies. These interdependencies were reflected in Charts 3, 4, and 7 by repeating particular policy-related Program Outputs; a note on Chart 4 also cites the mutually supporting nature of the Mission Program Outputs.

At present responsibility for the policies on the Mission is assigned to different offices within the Mission. Information is exchanged among offices on various occasions, such as at staff meetings, at the time of the Semi-Annual Review, and when those disbursements which are subject to policy conditionality come due. Mission personnel, generally speaking, are well informed concerning the policy agenda, and informal communication supplements the formal. At present there is not a single person who systematically monitors and reports on the entire policy agenda as such.

In the future it is possible that a more structured means of internal communication for the Mission may be appropriate to keep the various interested offices informed. Should a need arise for additional reporting to AID/Washington on the policy agenda, the Mission may wish to consider a more formal system for tracking progress on the policies it is promoting.

Finally, an analogy may be made between the Mission's monitoring of its policy agenda and its coordination of finance sector policies, of the development of financial markets, and of various sectoral credit interventions. These diverse finance activities are managed within different offices of the Mission. Especially if, as has been suggested, the development of financial markets receives increasing emphasis in the Mission, a more structured form of monitoring and reporting these activities may become appropriate.

D. Employment

Employment cuts across the Mission portfolio; it is both a means to accomplish certain objectives and an end in itself. Productive Employment, for example, could be an alternative way of stating the high level growth objective (the first Program Goal). And employment is a good indicator for improved economic enfranchisement (the second Program Goal).

Employment is explicitly stated in Strategic Objective # 5, which concerns small-scale enterprise and export promotion zones. The upgrading of the labor force is also an objective of various training and technical assistance activities in different sectors.

In other words, a good portion of the Mission's program could be recast in the terminology of employment.

IV. NEXT STEPS IN DEVELOPING AND IMPLEMENTING A USAID/HONDURAS' PERFORMANCE MONITORING

This chapter suggests next steps for USAID/Honduras in developing and implementing Performance Monitoring. Some of the next steps, especially those concerned with Performance Indicators, would also be pertinent for the completion of the CDSS. In the long run, Performance Monitoring may be viewed as the mechanism by which USAID/Honduras would report on the accomplishment of its CDSS.

A. Further Development of Performance Monitoring

The Mission should review the present report and make the revisions, as it sees fit, to the Program Goals, Strategic Objectives, Program Outputs, and Program Inputs. The Mission should similarly review and revise the suggested indicators for the nine Strategic Objectives.

After the Mission decides on its Strategic Objectives, the following steps are suggested:

1. Establish one or more indicators for each Strategic Objective.

The present report suggests indicators for all 9 Strategic Objectives but also flags the need for refinement or the development of additional indicators for Strategic Objectives # 2, 5, 6, 7, 8, and 9. It also identified a number of areas where specialized short-term technical assistance may be required.

2. To the extent possible, establish quantified levels to be achieved annually during the CDSS period for each indicator of each Strategic Objective. Establish baseline levels for each indicator. Data should be disaggregated by gender where possible.

Data on most indicators is interpretable only in relation to some explicit or implicit target or comparison.

3. Identify data sources.

In some cases, the individual Mission projects will generate the necessary data; in other cases, national trend data (e.g., agricultural gross domestic product) may suffice. But for some indicators, obtaining data will require additional work. If the data collection effort would be very expensive, consideration should be given to alternative indicators.

4. Establish Program Outputs and their indicators, quantify level of achievement for each indicators, and identify data sources.

The Program Output Indicators should function together in support of the accomplishment of the Strategic Objective.

5. Prepare reporting formats.

The collection, analysis and organization of the data needed for internal management and external reporting can be identified and reporting formats, including dummy tables, can be designed in advance to facilitate presentation of data for ongoing management review and preparation of reports for AID/Washington.

The Mission has various options available to it for carrying out the above tasks. CDIE helped with the present report and may be able to provide further assistance. Or the Mission could employ a contractor to carry out the activities with, of course, the active participation of the Mission itself. Or the Mission could use its own staff and the services of contractors presently employed on various projects.

B. Assignment of Responsibilities

At present specific individuals have monitoring and reporting responsibilities for individual projects and for non-project activities and, to some extent, for "programs." The present "programs," or "program areas," while having some similarity to the nine Strategic Objectives, are not identical to them. We suggest that the Mission adopt [with revisions it deems appropriate] the Strategic Objectives and their supporting Program Outputs as its principal vehicle for monitoring its overall Program.

To monitor 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 lines (e.g., policy and nutrition). 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.

At the Program Output level, monitoring tasks may be delegated to some extent to contractors, but someone on the staff should be responsible for ensuring that it is done.

We recommend that the Mission's present monitoring assignments be reviewed, and updated and revised as necessary, so that the Strategic Objectives and Program Outputs are covered by assigned individuals.

Finally, it is important that the individuals involved understand their responsibilities, believe in the objectives they are asked to pursue, and agree that the proposed Performance Indicators represent fair criteria for judging program effectiveness.

C. Modification of Monitoring and Evaluation Strategies for Ongoing Projects

Once objectives and indicators are agreed upon, a review of the Monitoring and Evaluation systems of individual projects should be undertaken to ensure that such systems are as useful as possible in collecting, analyzing and presenting 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 in some cases.

In order to clarify how data produced will be integrated into the Mission's reporting and review systems, individual roles and responsibilities with respect to monitoring of each Strategic Objective should be spelled out in detail taking as starting points the present assigned responsibilities and this report's description of the Mission's Program.

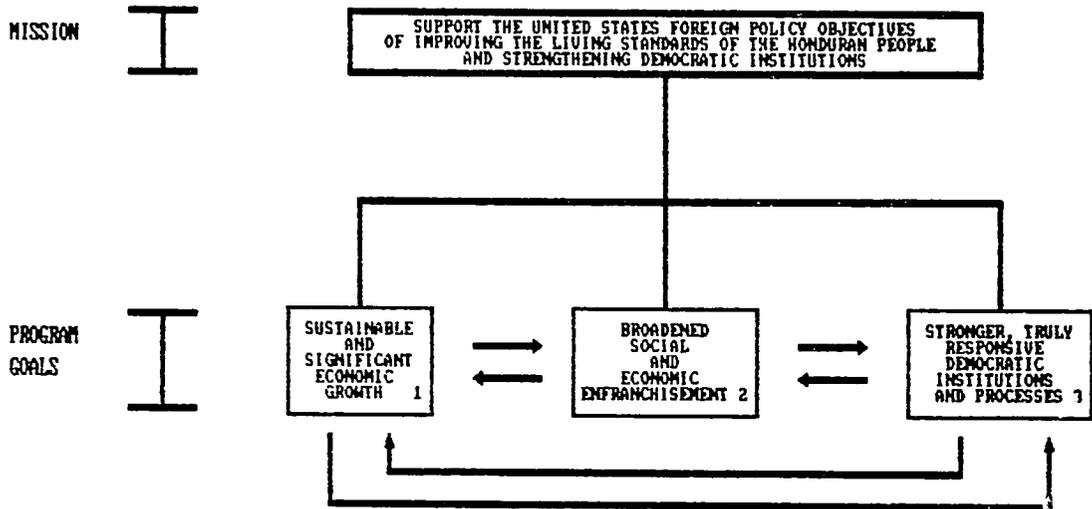
D. Identification of Additional Staff Requirements

The establishment and maintenance of Performance Monitoring 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 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. Technical assistance might be useful in orienting, assisting, or otherwise supporting this individual.

CHART 1

MISSION AND PROGRAM GOALS
FOR USAID/HONDURAS
FOR FISCAL YEARS 1991-95



Draft. April 16, 1990

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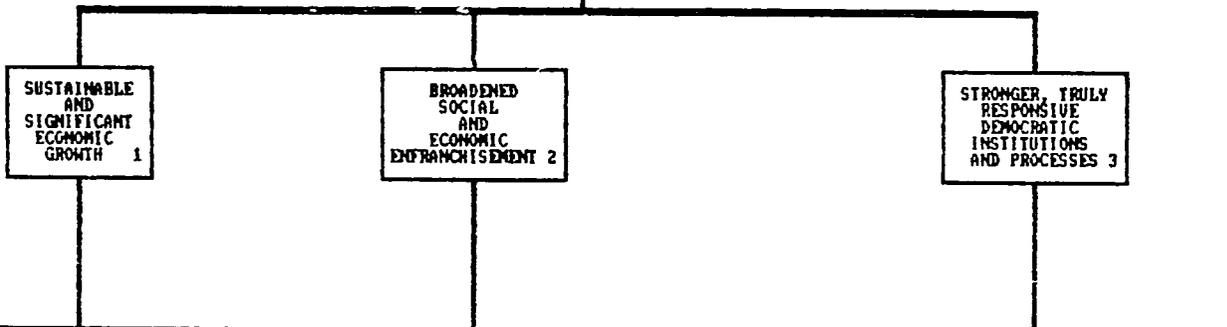
CHART 2
MISSION, PROGRAM GOALS, AND STRATEGIC OBJECTIVES
FOR USAID/HONDURAS
FOR FISCAL YEARS 1991-95

MISSION

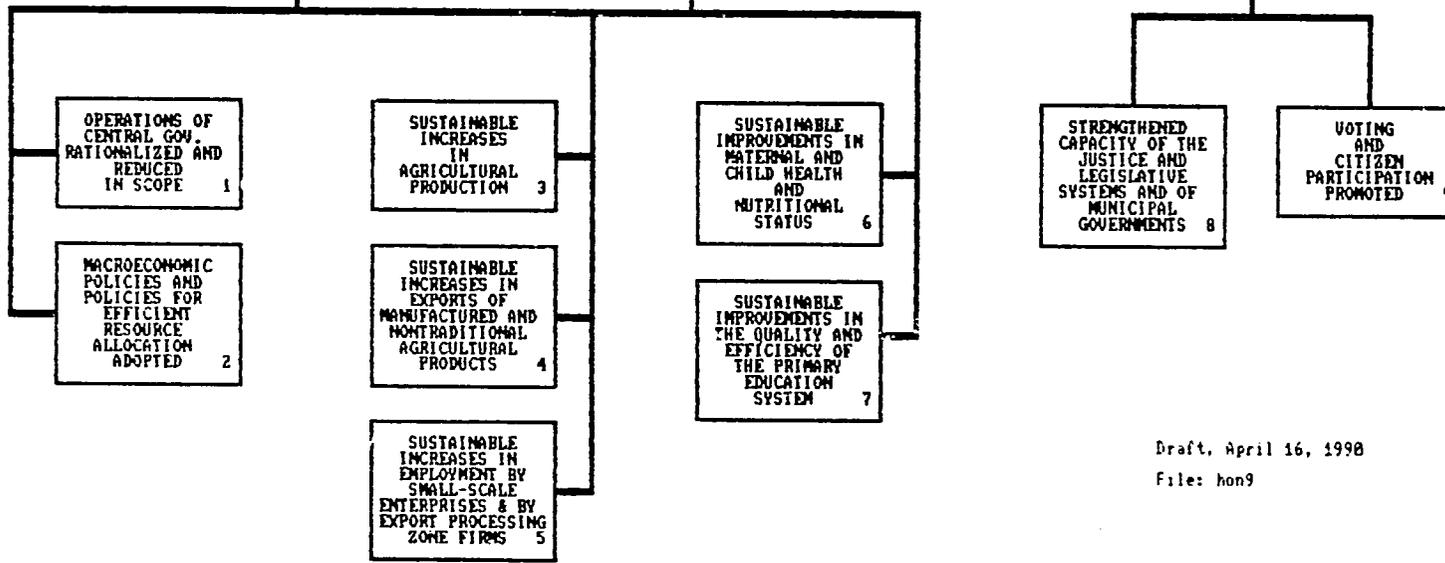


SUPPORT THE UNITED STATES FOREIGN POLICY OBJECTIVES
OF IMPROVING THE LIVING STANDARDS OF THE HONDURAN PEOPLE
AND STRENGTHENING DEMOCRATIC INSTITUTIONS

PROGRAM
GOALS



STRATEGIC
OBJECTIVES



Draft, April 16, 1990

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CHART 3

OBJECTIVES FOR USAID/HONDURAS FOR FISCAL YEARS 1991-95 CONCERNING CENTRAL GOVERNMENT REFORM, DEVELOPMENT OF FINANCIAL MARKETS, AND GENERAL AND SECTORAL ECONOMIC POLICIES

MISSION

SUPPORT THE UNITED STATES FOREIGN POLICY OBJECTIVES OF IMPROVING THE LIVING STANDARDS OF THE HONDURAN PEOPLE AND STRENGTHENING DEMOCRATIC INSTITUTIONS

Draft, April 16, 1998

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PROGRAM GOALS

SUSTAINABLE AND SIGNIFICANT ECONOMIC GROWTH 1

BROADENED SOCIAL AND ECONOMIC EMPOWERMENT 2

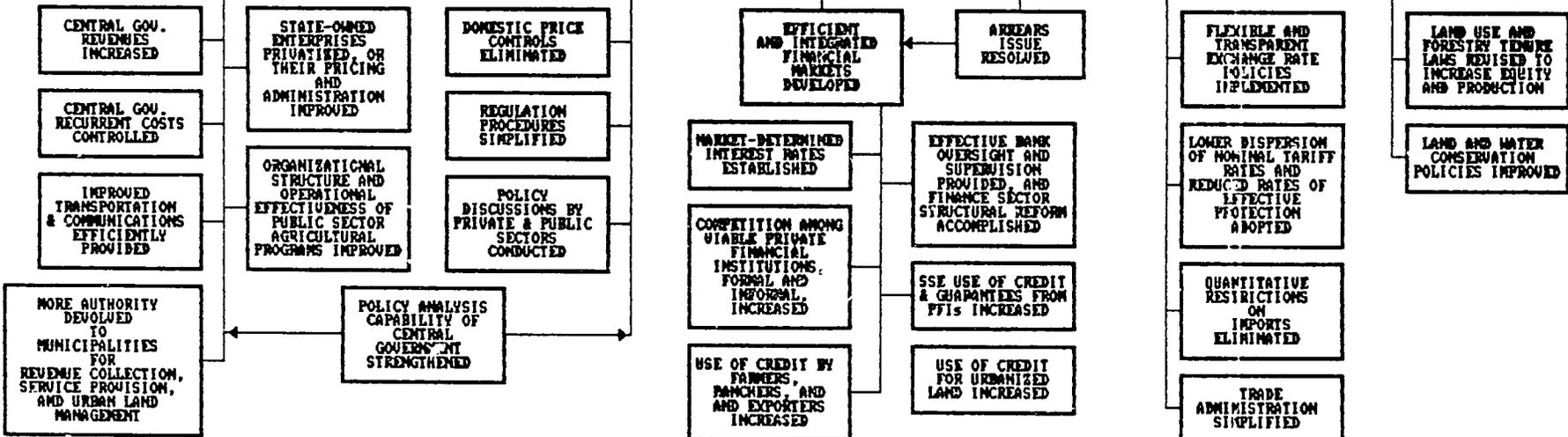
STRONGER, TRULY RESPONSIVE DEMOCRATIC INSTITUTIONS AND PROCESSES 3

STRATEGIC OBJECTIVES

OPERATIONS OF CENTRAL GOV. RATIONALIZED AND REDUCED IN SCOPE 1

MACROECONOMIC POLICIES AND POLICIES FOR EFFICIENT RESOURCE ALLOCATION ADOPTED 2

PROGRAM OUTPUTS



SECTORS

CENTRAL GOVERNMENT REFORM AND GENERAL ECONOMIC POLICIES

DEVELOPMENT OF FINANCIAL MARKETS AND FINANCE SECTOR POLICIES

TRADE POLICIES

AGRICULTURAL POLICIES

26

CHART 4

OBJECTIVES FOR USAID/HONDURAS FOR FISCAL YEARS 1991-95 CONCERNING AGRICULTURE, EXPORTS, AND SMALL-SCALE ENTERPRISE

MISSION

SUPPORT THE UNITED STATES FOREIGN POLICY OBJECTIVES OF IMPROVING THE LIVING STANDARDS OF THE HONDURAN PEOPLE AND STRENGTHENING DEMOCRATIC INSTITUTIONS

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PROGRAM GOALS

SUSTAINABLE AND SIGNIFICANT ECONOMIC GROWTH 1

BROADENED SOCIAL AND ECONOMIC ENFRANCHISEMENT 2

STRONGER, TRULY RESPONSIVE DEMOCRATIC INSTITUTIONS AND PROCESSES 3

STRATEGIC OBJECTIVES

SUSTAINABLE INCREASES IN AGRICULTURAL PRODUCTION 3

SUSTAINABLE INCREASES IN EXPORTS OF MANUFACTURED AND NON-TRADITIONAL AGRICULTURAL PRODUCTS 4

SUSTAINABLE INCREASES IN EMPLOYMENT BY SMALL-SCALE ENTERPRISES & BY EXPORT PROCESSING ZONE FIRMS 5

PROGRAM OUTPUTS

LAND USE AND FORESTRY TENURE LAWS REVISED TO INCREASE EQUITY AND PRODUCTION

LAND AND WATER CONSERVATION POLICIES IMPROVED

ORGANIZATIONAL STRUCTURE FOR PUBLIC SECTOR AGRICULTURAL DECISION MAKING REVISED

IMPROVED TRANSPORTATION & COMMUNICATIONS EFFICIENTLY PROVIDED

FARM TO MARKET ROADS CONSTRUCTED AND MAINTAINED

FARMER & RANCHER ACCESS TO INPUT, OUTPUT, AND CREDIT MARKETS IMPROVED

IMPROVED TECHNOLOGIES ADOPTED BY FARMERS AND RANCHERS

AGRICULTURAL TECHNOLOGIES DEVELOPED BY RESEARCH

EXPORT MARKETING IMPROVED

GROWING AND PROCESSING OF EXPORT NONTRADITIONAL AGRICULTURAL PRODUCTS IMPROVED

DESIGN AND MANUFACTURING OF EXPORTED INDUSTRIAL PRODUCTS IMPROVED

EXPORT PAPERWORK CURTAILED

CREDIT PROVIDED TO HONDURAN EXPORTERS

FOREIGN INVESTMENT INCREASED

FLEXIBLE AND TRANSPARENT EXCHANGE RATE POLICIES IMPLEMENTED

LOWER DISPERSION OF NOMINAL TARIFF RATES AND REDUCED RATES OF EFFECTIVE PROTECTION ADOPTED

QUANTITATIVE RESTRICTIONS ON IMPORTS ELIMINATED

TRADE ADMINISTRATION SIMPLIFIED

THROUGH NGO ASSISTANCE, SSE USE OF CREDIT INCREASED AND SSE TECHNICAL CAPABILITY IMPROVED

USE OF EXPORT PROCESSING ZONES INCREASED

SSE USE OF CREDIT & GUARANTEES FROM PFI'S INCREASED

USE OF REDISCOUNT FACILITY AND GUARANTEE FUND BY PFI'S INCREASED

Notes: A number of the Program Outputs above also appear on Chart 3, which presents objectives concerning central government reform, development of financial markets, and general and sectoral economic policies, suggesting the mutually supporting nature of policy, technical, and sectoral activities.

"SSEs" refers to Honduran Small-Scale Enterprises engaged in manufacturing, service, and commercial activities; NGO refers to Nongovernmental Organizations; and PFI refers to Private Financial Institutions.

167

MISSION

SUPPORT THE UNITED STATES FOREIGN POLICY OBJECTIVES
 OF IMPROVING THE LIVING STANDARDS OF THE HONDURAN PEOPLE
 AND STRENGTHENING DEMOCRATIC INSTITUTIONS

PROGRAM GOALS

SUSTAINABLE AND SIGNIFICANT ECONOMIC GROWTH 1

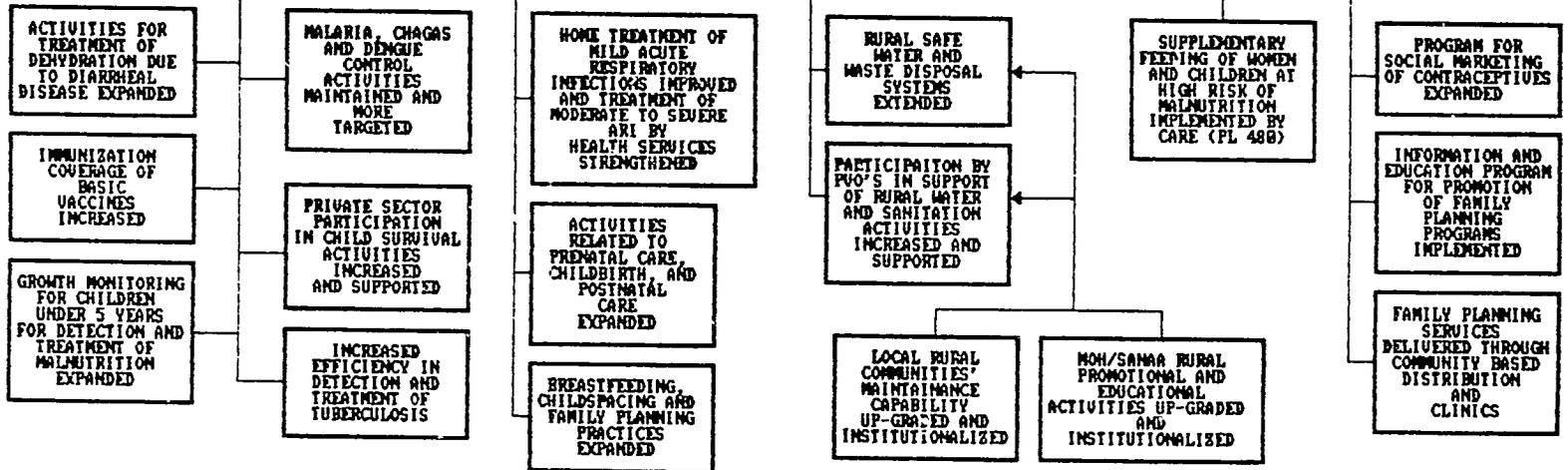
BROADENED SOCIAL AND ECONOMIC EMPOWERMENT 2

STRONGER, TRULY RESPONSIVE DEMOCRATIC INSTITUTIONS AND PROCESSES 3

STRATEGIC OBJECTIVES

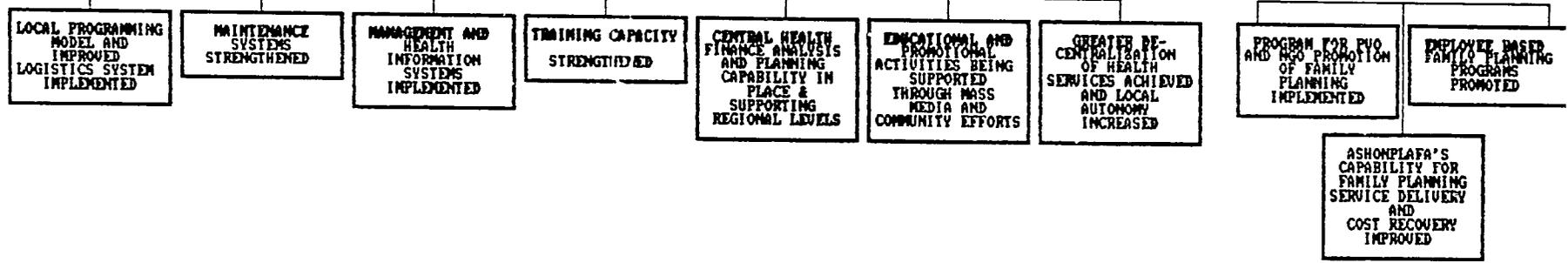
SUSTAINABLE IMPROVEMENTS IN MATERNAL AND CHILD HEALTH AND NUTRITIONAL STATUS 6

PROGRAM OUTPUTS

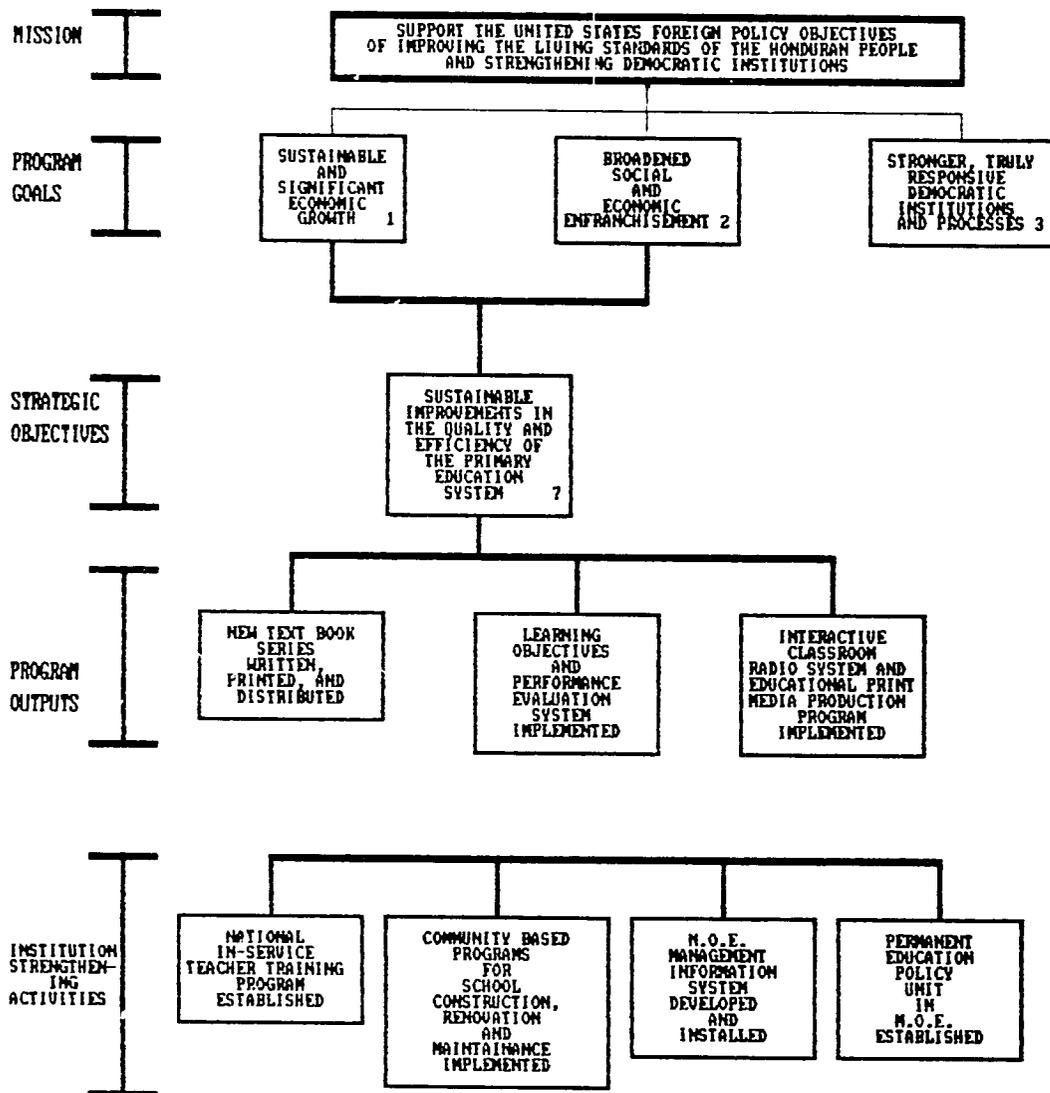


INSTITUTION STRENGTHENING ACTIVITIES

DELIVERY OF HEALTH SERVICES



24



44

CHART 7

OBJECTIVES FOR USAID/HONDURAS FOR FISCAL YEARS 1991-95 CONCERNING DEMOCRATIC INSTITUTIONS

MISSION

SUPPORT THE UNITED STATES FOREIGN POLICY OBJECTIVES OF IMPROVING THE LIVING STANDARDS OF THE HONDURAN PEOPLE AND STRENGTHENING DEMOCRATIC INSTITUTIONS

Draft, April 16, 1990

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PROGRAM GOALS

SUSTAINABLE AND SIGNIFICANT ECONOMIC GROWTH 1

BROADENED SOCIAL AND ECONOMIC ENFRANCHISEMENT 2

STRONGER, TRULY RESPONSIVE DEMOCRATIC INSTITUTIONS AND PROCESSES 3

STRATEGIC OBJECTIVES

STRENGTHENED CAPACITY OF THE JUSTICE AND LEGISLATIVE SYSTEMS AND OF MUNICIPAL GOVERNMENTS 8

VOTING AND CITIZEN PARTICIPATION INCREASED 9

PROGRAM OUTPUTS

JUDICIAL CAREER SYSTEM INSTITUTED

JUSTICE OF PEACE STAFF TRAINED

PUBLIC DEFENDER PROGRAM ESTABLISHED

EFFICIENCY OF JUDICIAL ADMINISTRATIVE SYSTEM IMPROVED

HONDURAN JUDICIAL SCHOOL ESTABLISHED AND MADE OPERATIONAL

LAWS AND JUDICIAL RULINGS COMPILED AND PUBLISHED

LIBRARIES IN EACH JUDICIAL CENTER ESTABLISHED

LEGISLATIVE RESEARCH CENTER ESTABLISHED AND OPERATING

ADMINISTRATIVE FUNCTIONS OF LEGISLATURE STRENGTHENED

LEGISLATIVE PROCESS STRENGTHENED

LEGISLATORS TRAINED

LEGISLATIVE CAREER SERVICE SYSTEM ESTABLISHED

ELECTED MUNICIPAL OFFICIALS TRAINED IN DEMOCRATIC LEADERSHIP AND IN RESPONSIVENESS TO CONSTITUENT NEEDS

TECHNICAL, FINANCIAL, AND ADMINISTRATIVE TRAINING AND TECH. ASSISTANCE PROVIDED TO MUNICIPALITIES

MORE AUTHORITY DEVOLVED TO MUNICIPALITIES FOR REVENUE COLLECTION, SERVICE PROVISION, AND URBAN LAND MANAGEMENT

CIVIL REGISTRY UPDATED

CAREER SYSTEM FOR THE/RMP STAFF ESTABLISHED

TECHNICAL TRAINING OF THE THE/RMP STAFF AT CENTRAL, DEPARTMENTAL, & MUNICIPAL LEVELS PROVIDED

LOCAL CIVIC ORGANIZATIONS TRAINED IN DEMOCRATIC PROCESSES

LOCAL COMMUNITY PARTICIPATION INCREASED IN PROVISION OF HEALTH, PRIMARY EDUCATION, URBANIZED LAND, AND WATER AND SEWERAGE SERVICES

PEACE SCHOLARSHIPS PROVIDED TO PERSONS FROM SOCIALLY AND ECONOMICALLY DISADVANTAGED CLASSES FOR MANAGERIAL AND ADMINISTRATIVE TRAINING IN THE UNITED STATES

TYPES OF INSTITUTIONS

JUDICIAL SYSTEM

LEGISLATIVE SYSTEM

MUNICIPAL GOVERNMENT

ELECTORAL SYSTEM

OTHER

etc