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FINAL DRAFT REPORT

MONITORING PROGRAM PERFORMANCE: A Report for USAID/Peru

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EXECUTIVE SUMMARY

Peru has achieved notable progress in reversing the political chaos, terrorism, spiralling inflation and economic exploitation which frustrated the country's path toward prosperity. The opportunity for carefully directed development assistance to make a real difference may never have been greater. In designating Peru a sustainable development country, USAID has recognized this potential. USAID/Peru has responded with a concerted, ongoing effort to better focus its resources around a core set of interlinked strategic objectives that address short to mid-term results toward achieving a goal of sustainable development which expands opportunity, quality of life and freedom of choice for a growing number of Peruvians while insuring a viable productive base for future generations. To achieve the anticipated results with the reduced level of resources at its disposal, the Mission's program relies on coordination, complementarity and strategic partnerships with international donors, PVOs and indigenous non-governmental organizations.

At the request of USAID/Peru, the LAC Bureau and CDIE provided technical assistance to the Mission in October-November 1994 and again in February-March 1995. Members of the two teams were provided through the PRISM Project. The teams facilitated discussions and provided technical advice to the Mission's strategic objective working groups. This document reports on the results of this process in a single comprehensive manner, recapitulating key developments of the first PRISM trip and integrating them with the advancements made during the second field visit. More detailed results of the first visit are contained in a separate and earlier report. The Mission, through its strategic objective working groups, continues to refine and improve its strategy and performance monitoring plan. The second PRISM team provided follow-on technical assistance specifically to:

- assist the Mission in reviewing, refining and adjusting its objective trees (SO, PO, etc);
- facilitate further development of performance indicators to better measure progress and achievement; and
- recommend how the Mission should collect and document the information needed to assess overall Mission performance in relation to its defined impact indicators.

The Mission strategy described in this document represents a set of recommendations from the strategic objective working groups. It varies considerably from the Mission's previous strategy in the 1995-96 Action Plan presented to the LAC Bureau. The following summarizes the outcomes of the strategic planning exercise.

The most important modification is the disaggregation of the Mission's second SO, *Encouraging Broad-based Sustainable Economic Growth*, into three discrete strategic objectives in the areas of food security, environmental and natural resources management and income/employment. Both the democracy and health strategic objectives have been refined,

but most of the PRISM assistance has been geared to facilitating these working groups to develop and refine indicators and data measurement and collection plans.

The Mission's first strategic objective (SO) centers on *increased participation of citizens in democratic processes*. The democracy strategy makes use of the opportunity for democratic consolidation presented by Peru's more open political environment. In the last three years a new constitution has been adopted, terrorism has dropped to low levels, inflation is under control and the economy is growing rapidly. The strategic objective focusses on the "supply" and "demand" sides of participation in democratic processes: supporting incremental changes in institutions to open up new channels and reinforce existing participation mechanisms, and working at national and local levels to encourage people to use these channels.

The program outcomes (POs) target three essential democratic processes: strengthened respect for human rights, improved responsiveness of local government to people's needs, increased participation in public decision-making, and, improved electoral systems. The three main projects (Judicial Strengthening,, Local Government Development, and Participatory Democracy) that will carry out most of the activities associated with the strategy are new, although all build on experience gained from previous activities. Working with results-oriented performance management from the beginning should strengthen the local implementing agencies, providing an additional impact.

The second strategic objective, *increased incomes and employment of the poor*, maintains the core of the earlier broader-based economic growth SO included in the 1995-1996 Action Plan. The program outcomes address three complementary targets -- policies, market access, and productivity -- which are necessary to achieve the strategic objective. A new PO was developed specifically to target improving conditions in coca producing areas; this intermediate level result is a necessary stage for increasing incomes and employment of the poor in these areas. The main field level support to the SO are the Microenterprise Support, PVO Support and Alternative Development projects, while the policy area is covered by the Policy Analysis, Planning and Implementation Project and other activities.

A new strategic objective is proposed that focuses on *improved food security of the extremely poor*, which is based on recommendations in the Mission's recently completed food security strategy document. To achieve this objective, three intermediate level results are targeted: nutritional rehabilitation of children under five in program households, increased income available for food consumption in extremely poor households, and increased basic education for the extremely poor. The strategy is based on moving the extremely poor from a vulnerable to a viable state of food security through a set of interrelated actions. Achievement of the program outcomes is supported by a variety of PL480 Title II activities and complemented by remaining Title III funding, policy dialogue with the GOP and coordination with the World Food Program.

The Mission's health SO is the least changed from the previous year. The proposed SO 4

continues to focus on *improved health of high risk populations*, but specifically in rural and peri-urban areas. It addresses key, interrelated program outcomes: increased use of primary health care services, heightened sustainability of primary health care, and increased use of preventative practices and first-line care in the home and community. Achievement of these outcomes and hence the SO is supported by five main projects: the Child Survival Action Project, the Strengthening Private Sector Health Institutions Project, Project 2000, the Private Voluntary Sector Family Planning Services Expansion Project and the centrally funded Peru Family Planning Implementation Project.

The Mission proposes to focus on *improved environmental and natural resource management*.
The strategic objective working group recommends concentrating on changes in the regulatory framework, complemented by carefully developed demonstration or pilot field activities in each of the key areas of concern to the Mission:

- health hazards due especially to poor solid and hazardous waste processing in peri-urban areas;
- pollution resulting from inefficient production practices in selected industries such as fishing and mining;
- declining productive potential due to poor maintenance of soil and vegetative cover in fragile ecosystems; and
- loss and degradation of natural habitats especially in the Amazonian lowlands, wetlands and coastal zones.

SO 5 thus focusses on 1) improving the regulatory environment for environmental and natural resource management (ENRM), 2) using pilot interventions to demonstrate the positive economic benefits to pollution prevention and solid waste processing in carefully targeted sectors, 3) supporting biodiversity conservation through protected area strengthening, and 4) maintaining a productive resource base in fragile ecosystems. The strategic framework captures the intent of the existing Mission portfolio and anticipates a new ENRM project design, likely Environmental Initiative for the Americas funding, and subsequent and as yet unformulated new starts. It also builds on ongoing Mission ENRM activities which are concentrated on more sustainable management of natural resources and on improving protected areas management.

In conclusion, the PRISM assistance helped catalyze the Mission's progress in refining the strategic frameworks, identifying indicators and developing measurement plans. More work is still needed on some data collection measures and methods, and a few of the indicators should be reconsidered. The team recommends that the SO working groups continue their efforts collaboratively with implementors of new and ongoing activities and other key development partners. In this way, the substantial foundation generated by the PRISM process can be progressively elaborated as the Mission manages for results and engages in the reengineering process. It is further recommended that the Mission seek out and expand the cross-sectoral linkages identified during this work.

TABLE OF CONTENTS

EXECUTIVE SUMMARY i

I. INTRODUCTION 1

II. MISSION PERFORMANCE MONITORING PLAN 6

A. Strategic Objective 1: Increased Participation of Citizens in Democratic Processes 9

1. Strategic Framework - An Overview 9
2. Key Hypotheses and Assumptions 11
3. Modifications to the Strategic Framework 14
4. Performance Indicators 16
5. Monitoring and Evaluation Issues and Next Steps 21

B. Strategic Objective 2: Increased Incomes and Employment of the Poor 23

1. Strategic Framework - An Overview 23
2. Critical Assumptions 23
3. Modifications to the Strategic Framework 25
4. Performance Indicators 27
5. Monitoring and Evaluation Issues and Next Steps 29

C.. Strategic Objective 3: Improved Food Security of the Extremely Poor . . . 31

1. Strategic Framework - An Overview 31
2. Critical Assumptions 34
3. Modifications to the Strategic Framework 34
4. Performance Indicators 34
5. Monitoring and Evaluation Issues and Next Steps 36

D. Strategic Objective 4: Improved Health of High-risk

Populations 37

1. Strategic Framework - An Overview 37
2. Critical Assumptions 39
3. Modifications to the Strategic Framework 39
4. Performance Indicators 41
5. Monitoring and Evaluation Issues and Next Steps 44

E. Strategic Objective 5: Improved Environmental and Natural resource Management 46

1. Strategic Framework - Context and Background 46
2. Critical Assumptions 51
3. Modifications to the Strategic Framework 52
4. Performance Indicators 54
5. Monitoring and Evaluation Issues and Next Steps 57

III. ADDITIONAL PERFORMANCE MONITORING ISSUES 60

ACRONYMS vi

LIST OF TABLES vii

LIST OF FIGURES vii

ANNEXES

ANNEX 1: Strategic Objective Working Group Members 61
ANNEX 2: SO 1, Performance Measurement Plan 63
SO 1, Objective Tree With Sub-Program Outcomes 71
ANNEX 3: SO 2, Performance Measurement Plan 72
SO 2, Objective Tree With Sub-Program Outcomes 78
ANNEX 4: SO 3, Performance Measurement Plan 80
SO 3, Objective Tree With Sub-Program Outcome 84
ANNEX 5: SO 4, Performance Measurement Plan 85
SO 4, Objective Tree With Sub-Program Outcome 90
ANNEX 6: SO 5, Performance Measurement Plan 91
SO 5, Objective Tree With Sub-Program Outcome 97

LIST OF FIGURES

Figure 1	USAID/Peru Strategic Plan, 1995-96 Action Plan
Figure 2	Proposed Strategic Plan for USAID/Peru
Figure 3	Strategic Objective 1
Figure 4	Strategic Objective 2
Figure 5	Strategic Objective 3
Figure 6	Strategic Objective 4
Figure 7	Strategic Objective 5
Figure 8	Strategic Objective 1 -- Tree with Sub-Program Outcomes
Figure 9	Strategic Objective 2 -- Tree with Sub-Program Outcomes
Figure 10	Strategic Objective 3 -- Tree with Sub-Program Outcomes
Figure 11	Strategic Objective 4 -- Tree with Sub-Program Outcomes
Figure 12	Strategic Objective 5 -- Tree with Sub-Program Outcomes

LIST OF TABLES

Table 1	Performance Measurement Plan for Strategic Objective 1
Table 2	Performance Measurement Plan for Program Outcome 1.1
Table 3	Performance Measurement Plan for Program Outcome 1.2
Table 4	Performance Measurement Plan for Program Outcome 1.3
Table 5	Performance Measurement Plan for Program Outcome 1.4
Table 6	Performance Measurement Plan for Strategic Objective 2
Table 7	Performance Measurement Plan for Program Outcome 2.1
Table 8	Performance Measurement Plan for Program Outcome 2.2
Table 9	Performance Measurement Plan for Program Outcome 2.3
Table 10	Performance Measurement Plan for Program Outcome 2.4
Table 11	Measurement Plan for Critical Assumptions Project Activities to Program Outcome 2.4
Table 12	Performance Measurement Plan for Strategic Objective 3
Table 13	Performance Measurement Plan for Program Outcome 3.1
Table 14	Performance Measurement Plan for Program Outcome 3.2
Table 15	Performance Measurement Plan for Program Outcome 3.3
Table 16	Performance Measurement Plan for Strategic Objective 4
Table 17	Performance Measurement Plan for Program Outcome 4.1
Table 18	Performance Measurement Plan for Program Outcome 4.2
Table 19	Performance Measurement Plan for Program Outcome 4.3
Table 20	Performance Measurement Plan for Strategic Objective 5
Table 21	Performance Measurement Plan for Program Outcome 5.1
Table 22	Performance Measurement Plan for Program Outcome 5.2
Table 23	Performance Measurement Plan for Program Outcome 5.3
Table 24	Performance Measurement Plan for Program Outcome 5.4

I. INTRODUCTION

At the request of USAID/Peru, the Latin America and Caribbean Bureau (LAC) and the Center for Development Information and Evaluation (CDIE) provided technical assistance to the Mission for the purpose of reviewing and further developing the Mission's strategy and performance measurement plans. Technical assistance (TA) was provided through the Program Performance for Strategic Management (PRISM) Project. The TA team, which worked at the Mission from February 13 through March 4, consisted of Carolyn Barnes, Management Systems International; Fred Sowers, Labat-Anderson Inc.; and, Tina West, Management Systems International.[1] Their work was intended to build directly upon and advance the work of the November 1994 PRISM team, and included two of the four persons on the November team.

The earlier PRISM assistance had led to the disaggregation of the Mission's previous strategic objective (SO), *Broader-Based Sustainable Economic Growth*, into three precise SOs in the areas of food security, environment, and income/employment generation. The second team facilitated the Mission's consideration of new elements, specifically a Food Security Strategy, a proposed Mission Environmental Strategy, and a separate SO for Alternative Development activities, in order to reach a final decision on the Mission strategic framework. The second PRISM team facilitated discussions and provided advice on the selection of indicators and the development of program performance measurement plans that would be useful as management tools. The team worked with five strategic objective working groups.[2] Tina West worked the democracy SO working group, Carolyn Barnes worked with both the income and employment and the primary health SO working groups, and Fred Sowers worked with both the environment and the food security working groups. (See Annex A for a list of the members of each working group.)

The work of the two PRISM teams complemented each other, with the second building directly on the results of the first. Both teams facilitated the working groups to define strategic objectives that are within the Mission's manageable interest, develop strategic objective frameworks that are logically consistent and practical, and respond to issues and suggestions raised by the LAC Bureau during previous reviews of the Mission's strategic

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[1] *Fred Sowers worked with the Misson three weeks, while Tina West and Carolyn Barnes spent two weeks.*

[2] *A provisional sixth strategic objective treating the Mission's alternative development (AD) activities was under consideration when the second PRISM TDY arrived in the field. The team met with the AD team and consulted senior management to reach a determination that alternative development activities fit more appropriately under the other strategic objectives established during the first November PRISM technical assistance visit.*

plan. The second PRISM team focussed on resolving outstanding issues regarding the SO frameworks, carrying this work toward the selection of performance indicators and development of a practical system for reporting on program performance. While some work remains to more clearly specify results and measures of these, the strategic frameworks more precisely reflect not only the Mission's level of resources and areas of strategic intervention, but also the cross-sectoral synergies that support the broader goal of sustainable development.

The Mission strategy described in this document represents a set of recommendations from the strategic objective working groups. It varies considerably from the Mission's strategy in its 1995-96 Action Plan. As mentioned, the most important modification is the disaggregation of the Mission's second SO, *Encouraging Broad-based Sustainable Economic Growth*, into three discrete strategic objectives in the areas of food security, environmental and natural resources management, and income/employment of the poor. These changes were made with two principle considerations in mind: building a practical program level performance measurement system for the Mission and maintaining consistency with Agency and LAC Bureau strategic planning and performance measurement guidance (which calls on missions to define strategic objectives that are within its manageable interest). The three "new" strategic objectives represent an improvement over the "former" SO because they are more precise, results-oriented and within the Mission's manageable interest. A number of additional changes, developed within the context of the considerations described above, have also been recommended.

The body of this report contains a description and explanation of each strategic objective framework, the rationale for any modifications to the Mission strategy that are being recommended, and graphic and descriptive presentations of indicators. In addition, the team raises some monitoring and evaluation issues and suggests some next steps for the strategic objective working groups. Performance measurement plans for each strategic objective are included in the Annexes. Also, strategic objective trees which specify sub-program outcomes are found in the Annex for each SO.

Approach and Methodology

The Agency recently released revised guidelines for planning country strategies. LAC Bureau guidance specifically refers to the new Agency strategy guidelines as providing a tool for LAC field programs to use in preparing Action Plan submissions. The new guidelines will help to bring country programs into closer harmony with the Agency's strategies. Using the LAC and Agency guidelines, the PRISM team assisted the USAID/Peru to further develop performance measuring, monitoring and reporting plans consistent with the managing for results principles prescribed in guidance. PRISM provided facilitative non-directive technical assistance that aimed to focus and guide the deliberations of Mission staff (usually organized as strategic objective working groups). Consultations with key development partners, particularly implementing agencies, were also held to discuss the

frameworks and data collection plans.

Throughout the nearly three weeks the PRISM team was at USAID/Peru, key mission staff continued their critical engagement in the strategic planning process. As a result, the Mission made significant progress towards refining the strategic frameworks, selecting indicators, and completing brief data collection plans.

The March 1995 PRISM work built upon and directly continued the collaboration initiated in October 1994 between PRISM and the Mission's Strategic Working Groups. In preparation for the assignment, the PRISM team was briefed by the LAC Bureau and PRISM staff. The team also reviewed numerous USAID/Peru documents, including, *Monitoring Program Performance, USAID/Peru, Draft Report, November 1994*, Mission comments on the above draft report, *USAID/Peru FY 95-96 Action Plan*, June 1994, *USAID/Peru FY 95-96 Annual Budget Submission*, July 1994, "Comments on USAID/Peru Strategic Objectives and Indicators," Bureau comments from June 1994 and, *USAID/Peru Semi-annual Project Status Report*, November 1994, the Alternative Development Project Paper, the *Food Security Strategy*, and the draft Mission environmental strategy.

Substantive work with the Mission began with an update and review of the criteria which the Agency asks operating units to apply when developing their strategic frameworks and performance measurement plans. This took place at a formal meeting of senior managers and members of all the working groups, as well as in subsequent meetings with the working groups. While the main thrust of the TA was to focus on development of appropriate indicators and a performance reporting plan, a number of prerequisites concerning the development of the Mission's strategic objective trees implied a review of the principles for putting together strategic plans and the Agency's guidance on strategies.

Meetings were organized across strategic objective working groups to discuss issues of mutual concern and synergies. One meeting discussed complementary activities to strengthen environmental advocacy under the democracy and environment strategies. Program implementors and other collaborators were brought into this process thus enhancing the likely practicality of the final system. Another meeting was held to discuss whether the results from environmental health activities were more appropriately included in the health or environment strategic framework.

The major criteria which guided the technical assistance effort are summarized below. The summary is based on the February 1995 Guidelines for Strategic Plans and the May 1994 directive on Setting and Monitoring Program Strategies issued by PPC.

Strategic Planning

All USAID operating units are to integrate the following concepts with the logical principles for developing strategic plans. The resulting framework will help demonstrate the coherence of the Mission's program and assure that human and financial resources will be allocated according the strategic priorities set forth and results obtained.

Integration. USAID objectives identified by strategic plans should be mutually supportive of the common objective of sustainable development. The strategy should provide the framework that integrates discrete activities and highlights complementary impact. Strategic programs should look beyond individual projects to cross-cutting, systemic effects that create or exploit identified synergies. Strategic objective frameworks should be logically consistent, i.e., define causal, if-then relationships between objectives at different levels of each framework. It should be possible to answer the question "how" when moving down a framework from the SO to the Sub-PO, or conversely, the question "why" when moving up a framework from the Sub-PO to the SO. In other words, lower level objectives should contribute causally to the achievement of the objectives at the level directly above them. All program objectives (SOs and POs) should be defined in precise terms. The objective statements should be unidimensional, clear and objectively verifiable (in turn, permitting the framing of precise management questions).

Tractable problems with reasonable prospects for success. Not all development problems can be solved. For example, it is not realistic to expect to eliminate all poverty. Furthermore, even when significant need is clearly established, there are not always the opportunities for USAID assistance to be used effectively. In essence, strategic objectives should be within the mission' s manageable interest, i.e., their achievement can be plausibly associated with mission activities, or looking at it in a slightly different way, mission activities can substantially influence the achievement of a given strategic objective. The following criteria are key measures of success:

- *Broad systemic changes.* USAID strategies should be designed to have broad systemic impact, rather than consist of isolated, self-contained interventions.

- *People-level impact.* USAID seeks to build the capacities and expand the opportunities of the poor majority of the developing world. Strategies should show (in specific and measurable terms) how the social, economic, environmental and political changes USAID supports will clearly help improve the lives of these women, men and children.

- *Sustainable improvements.* USAID strategies must show how results will be sustained, including human capacities and prospects for institutional, political and financial sustainability over the long term.

Clear results commensurate with costs. Strategies should identify expected impacts; explain how these will be achieved; and demonstrate that these results bear a favorable relationship to costs. The results should be realistic and not embody an implausible assumptive gap -- the number and scope of assumptions linking objectives at one level to objectives at the next higher level are reasonable. It should not be necessary to accept numerous or overly broad assumptions in order to agree that achievement of a set of objectives at one level (e.g., program outcome level) will lead to the achievement of an objective at the next higher level (e.g., strategic objective level).

USAID comparative advantages. USAID will not attempt to address needs that are being adequately addressed by another donor or donors. Country strategies should show how USAID's field-based structure, experience and technical expertise provides an important advantage for the mission's assistance efforts. The achievement of program outcomes should be directly attributable to Mission activities; however anticipated results should leverage USAID's resources. Strategic plans should how USAID will vigorously pursue *partnerships* and other opportunities to collaborate on mutually supportive activities (and avoid duplication and overlap) with other development efforts. Strategic plans should be developed in a participatory manner, drawing on the insights and experiences of a wide range of USAID development partners, particularly those truly representing segments of society that are currently marginalized.

Indicator Development

Directness: Indicators should be direct measures of the status of the objective to which they are relevant. They should be defined at the same level as the objective they are intended to measure, grounded in theory and practice and acceptable to both proponents and skeptics of the objective as appropriate measures. For cases in which it is necessary to define proxy indicators, the proxy indicators should be as closely related to the relevant objective as is possible.

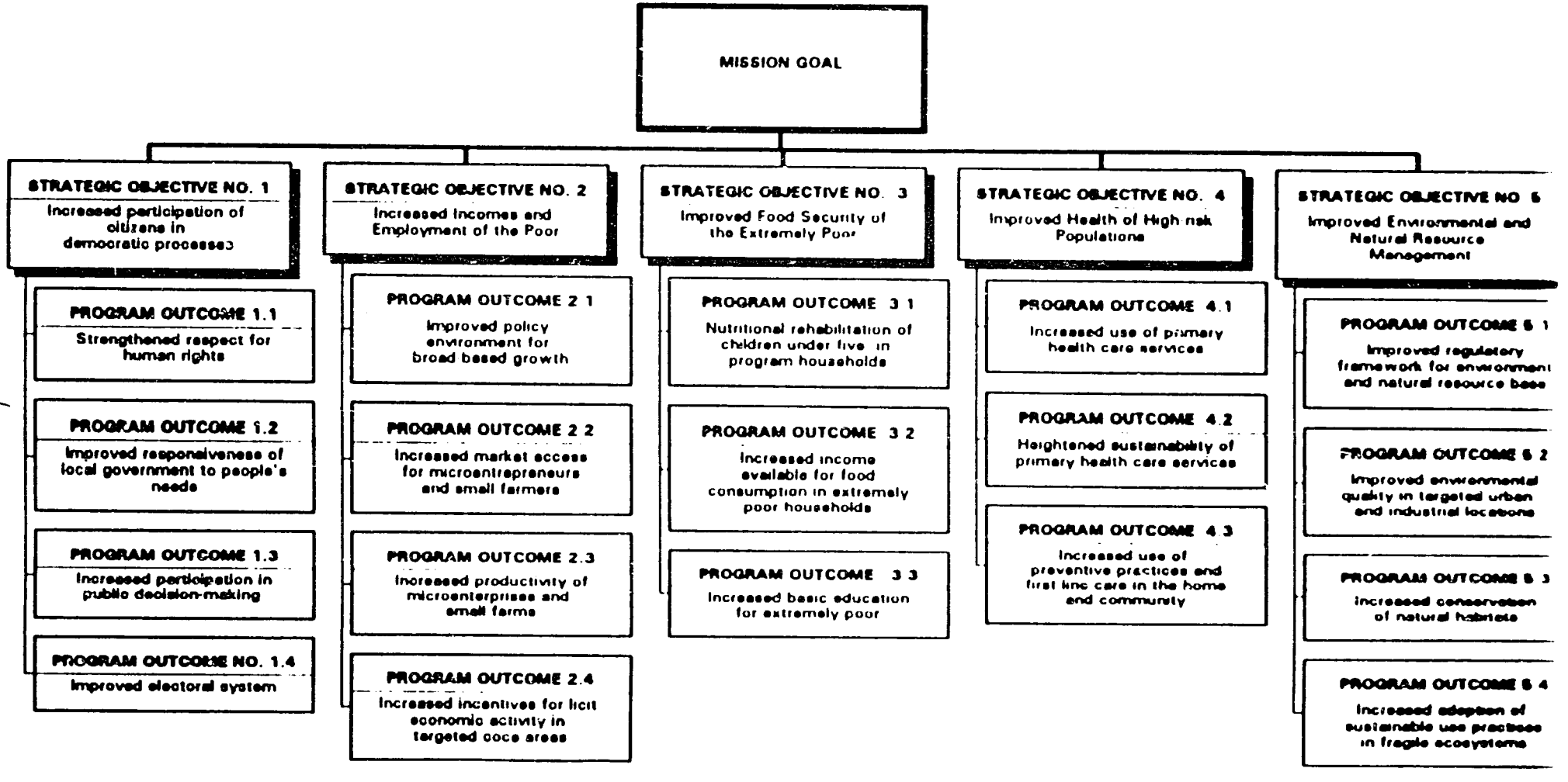
Precision: Indicators should be unidimensional and framed in operational terms.

Practical: Indicators should be defined for which quality data (valid and reliable) are available on a timely basis (i.e., often enough to inform management decisions related to program performance). In addition, the cost of procuring and analyzing the data - in terms of both financial and human resources - should be reasonable.

Adequate: The indicators for a given program objective, taken as a group, should measure the status of the objective comprehensively and effectively.

Disaggregated, where appropriate: When gender, urban/rural, poor/non-poor, etc. considerations are critical to the achievement of related program objectives, indicators should be disaggregated appropriately.

FIGURE 2: Proposed Strategic Plan for USAID/PERU



Version 3.10

A. Strategic Objective 1: Increased Participation of Citizens in Democratic Processes

1. Strategic Framework - An Overview

USAID/Peru can make an important contribution to the development of democracy in Peru. Previous activities, through the Administration of Justice (AOJ) Project, have provided a deep working knowledge of the justice system and have contributed to building a constituency for reform, an achievement that should be followed up when more money is available for the judicial sector. The Mission's work with the Center for Information and Education on Drug Abuse Prevention (CEDRO), with local groups through the Peruvian Peace Scholarship Project (CLASP) and Special Development Activities Fund (SDAF), and with local governments and communities through the pilot activities of the Local Government Development Project (LGD), clarified the opportunities and constraints for Peruvian NGOs and communities as they work to achieve their objectives in the existing political environment.

The political environment in Peru is now undergoing change. There is a new constitution, and terrorism and inflation are both at low levels for the first time in many years. The presidential election scheduled for April 1995 is focussing people's attention on the kind of governance that will address Peru's many remaining problems. [3] These problems include widespread poverty, division between ethnic groups and urban and rural populations and an authoritarian history that is still prevalent in many respects today. USAID/Peru's democracy program, as reflected in the proposed framework for Strategic Objective 1, aims to help Peruvians translate the provisions of the new constitution into workable democratic processes. To achieve *increased participation of citizens in democratic processes*, the Mission will provide support for some of the institutional changes mandated by the constitution and encourage Peruvian NGOs and communities to become more active.

This approach is evident in Strategic Objective 1, *Increased participation of citizens in democratic processes*, which articulates the expected impact from Mission activities in the democracy area. (The complete framework for Strategic Objective 1 is presented in Figure 3 on the following page.) SO 1 is supported by four program outcomes, each of which deals with obstacles to participation in a democratic process that USAID/Peru is addressing by supporting changes to the process itself. The focus of changes supported by the Mission, and captured in the POs, include: the handling of human rights cases; local government decision-making; access points for public involvement in policy debates; and, government oversight management of elections. Each program outcome also depends on the project activities that focus directly on encouraging citizens to make use of their rights and to carry out their responsibilities. These program outcomes and supporting projects are outlined following mention of the key assumptions to attaining them.

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[3] *The PRISM work with the Mission and hence this report reflect discussions prior to the election. The election results confirm that the Mission democracy strategy is appropriate.*

FIGURE 3

STRATEGIC OBJECTIVE No.1
INCREASED PARTICIPATION OF CITIZENS IN DEMOCRATIC PROCESSES

PERFORMANCE INDICATORS:
Freedom House Index Rating

PROGRAM OUTCOME 1.1
Strengthened respect for human rights.

Indicators:
- Change in State Department Human Rights Report assessment
- % of serious human rights violation allegations in total caseloads of implementing NGOs
- % of targeted human rights abuse caseloads 1) completed 2) held up for due process reasons
- High-risk citizens' knowledge of fundamental human rights

Supporting Projects:

JUST
LGD
PARDEM

PROGRAM OUTCOME 1.2
Improved responsiveness of local government to people's needs

Indicators
- % of targeted local governments that have improved basic services
- % of targeted local governments with public town meetings and budget hearings
- % of targeted local governments that are implementing projects based on constituents' expressed needs

Supporting Project:

LGD

PROGRAM OUTCOME 1.3
Increased participation in public decision making

Indicators
- # of formal mechanisms for communication between citizens and government in targeted areas
- # of public petitions under new constitutional mechanism that result in the introduction of Congressional legislation
- # of groups (except LGD targets) that carry out one or more activity 1) to encourage deliberation of public policy issues, 2) to monitor government activities, 3) to educate citizens about channels for participation in public decision making
- % of women organizations in targeted areas that participate in community decision making processes
- # of articles/programs on participatory democracy carried out in widely read/received media

Supporting Projects:
PARDEM
LGD
SDAF
NECI

PROGRAM OUTCOME 1.4
Improved electoral systems

Indicators
- Elections are certified "free and fair" by official observer groups
- % of citizens with perception of "clean" elections
- % of valid ballots
- # of valid complaints about irregularities in election procedures

Supporting Projects:

ES
PARDEM

2. Key Hypotheses and Assumptions

The democracy strategy is built on the hypothesis that making participation mechanisms easier to use and better understood will increase rates of participation. It assumes that this will be proven valid in the Peruvian context of many individual decisions about whether civic participation is too costly, risky or unlikely to make a difference. A related key assumption is that the overall economic and political environment in Peru remains as favorable for achieving the program outcomes and strategic objective as they are now.

The planned activities should reduce some of the transaction costs of participating, particularly for the disadvantaged. However, these may be the groups least positively affected by the growth of the national official economy and the ones with the highest cultural barriers to increased participation. The strategy also reduces transaction costs for urban and educated groups; one of the intangible effects of the USAID strategy may be more inclusive attitudes held by these groups.

Program Outcome 1.1, *Strengthened respect for human rights*, reflects the critical contribution human rights make towards increasing the level of citizens' participation. Respect for human rights is a sine qua non of a democratic society. The link between increased respect for human rights and citizen participation exists at two levels and is most evident if improvements in three areas of human rights activities occur, namely: (1) an independent judiciary becomes/is willing to play its part in upholding human rights; (2) the executive branch of government becomes/is willing to restrain its use of coercive powers, either voluntarily, in response to pressures from public opinion or the press, or in response to judicial rulings (e.g., it may even set up mechanisms such as the Office of the Ombudsman, Register of Detainees, etc., to provide and promote recourse for human rights violations); and, (3) citizens become/are willing to use instruments available to them for addressing human rights complaints since they have information, access and understanding.

The link between increased respect for human rights, and increased participation in political processes depends primarily on better instruments for addressing human rights violations. At one level this link is a rule-of-law assumption: if legal instruments are created or improved, citizens will use them (beginning with the human rights groups), and the fact that they are being used will develop these instruments as part of the body of law and encourage more participation by citizens in safeguarding human rights. At a second level the link is a broader open-public-realm assumption: when the judiciary is seen to be acting independently and the executive is seen to be restrained by human rights instruments, citizens will have less fear of making their views known and participating in the political arena and, hence, they will participate more.

A risk to achieving the expected results, based on the hypotheses and assumptions discussed above, is that factors other than a history of human rights violations by the government inhibit citizen participation. In Peru the former terrorists prevented citizens from exercising their rights. Drug cartels may have the same effect. More subtle social pressures and

economic factors inhibit particular groups of citizens (women, Indians, the rural poor) from participating fully. However, the reduction of fear of terrorists should result in increased participation. Such an increase in citizens' participation should, in turn, help to consolidate democratic rule.

USAID/Peru will continue to support activities that focus on the necessary prerequisites for expanding observance of human rights in Peru and take into account the current and near-term human rights situation in the country. In addition, its activities will be directed at increasing citizens' awareness and exercise of their human rights.

The democracy strategic objective working group discussed the factors outside the Mission's control and concluded that four assumptions were essential for the Mission's strategy to have an impact on increasing respect for human rights. The critical assumptions are as follows.

a. International support for human rights will continue at current levels.

b. Terrorism will remain subdued.

c. There is continued freedom of expression.

d. There is political will to implement measures (legislation or provision of resources) without delay.

Program Outcome 1.2, *Improved responsiveness of local government to people's needs*, is a new articulation of the second PO under the democracy SO presented in the 1995-96 Action Plan. Responsiveness of local governments to their constituents was determined by the working group to be critical to increasing citizen participation in public decision making in Peru. The approach outlined by the strategic objective framework targets three related changes in local government: better management of resources, increased transparency of decisions and programs, and an increase in the ability to work with citizens to identify and prioritize local needs.

The critical assumptions relevant to the achievement of Program Outcome 1.2 are:

a. Continued support of the GOP for decentralization,

b. Improvement in the political and economic stability of Peru,

c. Increased personal security of local government officials,

d. Continued receptivity of local population to democracy promotion initiatives, and

e. Continued willingness of local officials to support project objectives.

Increased participation in public decision-making, Program Outcome 1.3, is in itself almost a definition of democracy. Without active citizen participation at all levels of government and society, democracy cannot survive. In addition to fostering democracy, citizen participation enhances direct involvement in other sectors, such as economic growth and the environment.

Active citizen participation allows for free and open debate of public issues and decisions. It also requires citizens to take more responsibility for their own lives, their communities and their country. This means that citizens cannot simply expect benefits from a democratic society. Rather, citizens must also take responsibility for supporting their government by paying taxes and contributing their time to civic activities. Citizens need not only be able to exercise their civil rights, but also to demand that government at all levels respond to their needs and take their contributions to policy discussions into account.

The critical assumptions related to Program Outcome 1.3 are presented below.

a. There is national consensus on the form of regional/local democratic structures.

b. There is continued freedom of expression.

c. Citizens are reasonably free from fear for their security and economic survival (terrorism is at low levels and the economy is not worsening).

As a result of its discussions, the democracy SO working group recommends that a newly developed program outcome, *An improved electoral system*, be included in the Mission's democracy strategic objective framework. The results of the Mission's efforts to improve the electoral system are both specific and are expected to develop over the next five years from the work of several projects.

The new Constitution provides for a new set of electoral institutions. In the longer term, the establishment of an independent election commission, improving the efficiency of the electoral process and voter registration, as well as a better informed electorate will further empower citizens. Transparent elections will promote the legitimacy of the government, giving it more stability and popular support. As with human rights, free, fair and transparent elections are an essential element of democracy.

The Mission expects to support the new electoral institutions. The Mission additionally intends to back efforts to encourage citizens to participate in elections willingly, to become more informed voters and to play an active role in overseeing the electoral process.

The critical assumptions related to Program Outcome 1.4 are listed below.

a. The new set of electoral institutions will be independent and free from

government interference.

b. The government provides an adequate level of resources.

c. The new institutions have the authority to enforce the election laws.

3. Modifications to the Strategic Framework

Strategic Objective Level: Increased Participation of Citizens in Democratic Processes

The overall strategy remains unchanged: to manage for an impact on participation through changes that make government procedures more open and effective and through encouraging civic awareness and actions by citizens and groups. The wording of the SO and POs has been refined, and a PO on electoral systems has been added to reflect the long-term effort that USAID is supporting.

Changes in SO and POs between the 1995-96 Action Plan (March 1994) and the Strategic Objective Working Group's March 1995 proposal for inclusion in the next Action Plan Strategic Framework are outlined and discussed below.

Action Plan SO:	Strengthened democratic institutions
Action Plan PO1:	Strengthened, more independent and transparent judicial and legislative systems that sustain rule of law and protection of human rights
Action Plan PO2:	Improved, more efficient local governments which are responsive to the needs of their constituents
Action Plan PO3:	Increased popular participation in public decision-making and civic-oriented programs

Proposed Strategic Plan:

Proposed SO 1:	Increased participation of citizens in democratic processes
Proposed PO 1.1:	Strengthened respect for human rights
Proposed PO 1.2:	Improved responsiveness of local government to people's needs
Proposed PO 1.3:	Increased participation in public decision-making

Proposed PO 1.4: Improved electoral systems

A review by the democracy SO working group, conducted within the context of USAID's strategic planning and program performance measurement methodology and informed by LAC Bureau comments concerning USAID/Peru's strategy, found that the democracy strategic objective presented in the 1995-96 Action Plan is beyond the Mission's manageable interest
(a difficult problem to avoid for democracy strategic objectives). In addition, reviewers judged the program outcomes to be categorical "subsets" of the SO rather than strategic components with a clear cause and effect relationship to the SO. Therefore, the democracy working group decided that the strategic objective should be narrowed to articulate a more representative and achievable democracy objective, an objective statement that would, in turn, facilitate development of program outcomes that are causally linked to the SO.

The wording of the SO presented in the 1995-96 Action Plan focussed on strengthening democratic institutions. However, the Mission's interventions are not primarily aimed at building institutional capacity, but at making specific democratic processes more responsive to citizen action and at encouraging citizens to become actors. The democracy working group agreed that stronger institutions were a means to achieve increased opportunities for citizens to exercise their rights. In addition, the group agreed that participation incorporated the "two-way street" of citizens who were more knowledgeable and active about their rights and responsibilities and processes that allowed more access for public oversight and voice. It is these results which are the focus of the Mission's democracy program and the proposed SO has been framed to reflect this concentration. The strategic objective wording that best captured these points succinctly was determined by the working group to be, *Increased citizen participation in democratic processes*. This articulation of the SO more accurately reflects the thrust of the Mission's democracy initiative and is more within the Mission's manageable interest.

The democracy working group also made significant changes at the program outcome level. The revised POs are more precise, directly verifiable and more logically consistent with the SO than were their antecedents.

Program Outcome 1.1: Strengthened Respect for Human Rights

The wording of Program Outcome 1.1's predecessor was "Strengthened, more independent and transparent judicial and legislative systems that sustain the rule of law and protection of human rights." The proposed program outcome statement represents a substantial modification to the "old" PO for several reasons. First, the proposed PO reflects the Mission's intention not to strengthen government institutions per se, but to enlarge the range of processes dealing with human rights and the awareness of rights and opportunities for actions. Second, the working group concluded that the references to strengthening the judiciary and the legislature were no longer a part of the Mission's democracy program. Third, the program outcome from the 1995-96 Action did not meet several Agency criteria

SO 1: Increased Participation of Citizens in Democratic Processes

Action Plan Indicators:

- 1993 Constitution is promulgated and implemented/amended, if necessary, to further conform to democratic norms.
- National and municipal elections occur as scheduled.
- Percentage of public with confidence in judiciary and legislature.
- Percentage of public with confidence in local governments.

Proposed Indicator:

- Change in Freedom House rating.

The indicators in the previous Action Plan are either conditionalities or PO-level indicators. Accordingly, the first two have been dropped. After much discussion, the PO-level polling questions have been confined to testing knowledge of fundamental human rights and perceptions of "clean" elections. Polling at the national level is expensive and does not measure very effectively the impact associated with USAID activities, unless the questions are more specific than level of confidence questions.

The working group accepted the PRISM team's recommendation to use the Freedom House Index as the SO indicator, regarding it as a proxy measure of the trend of more or less open, participatory democratic processes. Given the theoretical difficulties and expense of employing quantitative measures of overall changes in democratic practices to which USAID/Peru has contributed, it is preferable to use a respected annual assessment that includes the components with which theMission's activities are most concerned.

Proposed PO 1.1: Strengthened respect for human rights

Action Plan Indicators:

- Number of human rights violations reported.
- Number of terrorism/treason cases tried in military courts.
- New national policy statements and/or laws promulgated on drug production and trafficking.
- Legislation enacted to implement Constitutionally-mandated decentralization of government.

Proposed Indicators:

- Change in State Department Human Rights Report assessment.

- Percentage of serious human rights violation allegations in total caseloads of implementing NGOs.
- Percentage of targeted human rights abuse caseloads 1) completed, 2) held up for due process reasons.
- Percentage of high-risk citizens knowledgeable about fundamental human rights.

With the change in the PO to focus on human rights alone, the third and fourth indicators in the earlier Action Plan became irrelevant. Two meetings with representatives of human rights groups plus the investigations of the Project Officer led to the conclusion that reliable data are not and will not soon be available for the first two indicators in the previous Action Plan. The technical team worked out several proxy indicators of strengthened respect for human rights.
The State Department Human Rights Report makes year-on-year comparisons of the government's human rights record. Its assessment can be supplemented by the assessments of human rights groups and the latter reflected in the narrative of future Action Plan reporting on results.

Data based on the caseloads of the four legal assistance NGO groups supported by the Judical Strengthening (JUST) Project will provide data that indicate whether serious human rights violations are declining and whether adherence to due process is occurring. The NGOs will first identify the total number of outstanding cases of particular types of human rights violations, beginning with adults and minors accused of terrorist activities who have been held for long periods without trial. The NGOs will process that group of cases, and then begin on another group. One proposed indicator flags the proportion of cases held up because of non-adherence to due process. The other demonstrates that the NGOs have been able to turn their efforts from the most serious types of human rights abuses to less serious ones (this makes some assumptions about how quickly the backlog of serious cases can be resolved).

The fourth proposed indicator emphasizes that the most important groups to reach with rights awareness activities are those most at risk in the recent past for human rights abuses, i.e. the poor, particularly the rural poor, and women.

Three projects contribute to achievement of the program outcome: Judicial Strengthening, Participatory Democracy and Local Government Development.

Proposed PO 1.2: Improved Responsiveness of Local Government to People's Needs

Action Plan Indicators:

- Percentage of population in targeted areas served with basic services provided

by local governments.

- Percentage of local governments' budgets coming from target areas' resources.
- Local governments' elected officials trained in target areas.
- Average number of open town meetings in target areas promoted by local governments or citizens.

Proposed Indicators:

- Percentage of targeted local governments that have improved basic service coverage.
- Percentage of targeted local governments with public town meetings and budget hearings.
- Percentage of targeted local government that are implementing projects based on constituents' expressed needs.

The first indicator has been retained and re-worded to record the number of stronger local governments as a percent of the total targeted number, rather than the change in population served.

The Local Government Development (LGD) Project will measure the improvement in four local government services: potable water, public markets, education and health facilities, and the proportion of the populations provided with services. Although it is often not clear whether better services encourage participation or whether public pressure improves services, improved service provision does indicate more local government capacity and poor or worsening service provision suggest that citizens may not see any utility in participation.

The second and third 1995-96 Action Plan indicators have been dropped since they do not measure the PO statement. The fourth has been retained and re-worded to record the percentage of targeted local governments with transparent processes. The last proposed indicator reflects responsive government decisions. It assumes that the proportion of projects that are based on constituents' expressed needs reflects fairly directly the local government's ability to direct its resources autonomously.

The Local Government Development Project supports achievement of this program outcome.

Proposed PO 1.3: Increased participation in public decision-making

Action Plan Indicators:

- Non-traditional leaders and groups from socially and economically disadvantaged groups with exposure to democratic processes and training.
- Draft laws and topical civic issues openly discussed.
- Number of proposals from non-legislative sources that become law or official

policy.

- Percentage of registered voters participating in elections.
- People participating in open town meetings in target areas.

Proposed Indicators:

- Number of formal mechanisms for communication between citizens and government in targeted areas.
- Number of public petitions under new constitutional mechanism that result in the introduction of Congressional legislation.
- Number of groups that carry out one or more activity to encourage to encourage deliberation of public policy issues.
- Number of groups that carry out one or more activity to monitor government activities.
- Number of groups that carry out one or more activity to educate citizens about channels for participation in public decision-making.
- Percentage of women's organizations targeted areas that participate in community decision-making processes.
- Number of articles/programs on participatory democracy carried in widely read/received media.

The participation performance indicators are the set that the SO working group members have wrestled with hardest and longest. The Agency democracy strategy guidelines helped to define the types of groups and activities that should be included. The proposed indicators include three directly based on the Agency guidelines that technical officers feel confident can be measured with a matrix of type of organization/type of activity that generates data annually on the number of active groups. Rules about what counts as an activity will be evolved during the first year of operationalizing the indicators.

The first indicator in the previous Action Plan is basically an output measure to the extent that it can be measured. The intention of capturing the impact on community participation of Mission project activities with non-traditional leaders and disadvantaged groups is now expressed in the sixth proposed indicator's measure of change in the proportion of participating community groups. The projects can collect the requisite data annually.

The second indicator in the previous Action Plan reflects what is now an assumption for the PO: that freedom of assembly and freedom of speech continue. The third 1995-96 Action Plan indicator has been narrowed to a measurable, participatory activity: the use of the new constitutional mechanism for popular initiation of legislation. The fifth indicator in the earlier Action Plan has been dropped. There is now a separate PO for the electoral process.

The working group proposes two new indicators that reflect the overall expected results from activities which focus on increasing the number of channels of communication with government and improving the quality of reporting on democratic issues.

The Participatory Democracy (PARDEM) Project is the main contributor to these results. The LGD, NECI and SDAF projects also support their achievement.

Proposed PO 1.4: Improved electoral systems

Action Plan Indicators:

- None. This is a new PO.

Proposed Indicators:

- Elections are certified "free and fair" by official observer groups.
- Percentage of citizens with perception of "clean" elections.
- Percentage of valid ballots cast.
- Number of valid complaints about procedural irregularities in polling places.

After a meeting with four of the Electoral Support Project implementing agencies, the technical group is satisfied that data are available for these indicators. There is agreement that these indicators reflect the intended results. The indicator dealing with complaints about irregularities in polling places is intended to demonstrate the knowledge of election procedures by officials and party poll watchers at the local level.

The election laws will change during the strategy period, probably after the November 1995 municipal elections. Some planned education activities will not start until after the new laws come into force.

The Electoral Support Project and, to a lesser extent, PARDEM and LGD focus on achieving the results discussed above.

5. Monitoring and Evaluation Issues and Next Steps

a. The SO working group, together with their partners involved with implementing Mission supported activities, should reconsider the indicators selected for PO 1.3. They should reconfirm that the indicator measures are closely associated with the results of USAID/Peru's activities.

b. Thereafter, the SO working group in consort with the key implementers should further refine plans for data collection and implement the plans. Data collection methods and practical, operational definitions need to be standardized, especially for the indicators to which more than one project group contributes. The same issues of standardization apply to those activities where more than one implementing agency is carrying out the same type of activity (providing legal services, public education and awareness programs, etc.).

c. The meetings held with the implementing agencies contributed to the identification of practical PO indicators and reinforced their understanding of performance monitoring. Since they are all in the process of refining their activities, they found it useful to sharpen their thinking by defining what has to be done to make an impact. This participatory and consultative process should be continued in the context of managing for results.

d. The state-of-the-art in measuring performance in democracy remains at a relatively low level. Much reliance is placed on qualitative indices that may be useful at the SO level but of little help to on-the-ground program managers. The Mission should look continuously for improvements to its measures.

Quantification of democracy issues is a salient issue. The ongoing debate on whether or not democracy can be quantified has no resolution in sight. The Government Performance Results Act, however, requires quantitative indicators to be developed as soon as possible. To this end the Mission should work with the LAC Bureau, the Democracy Center and CDIE.

e. Surveys conducted properly provide valuable data. However, they are expensive and difficult to mount. In addition, to be of greatest value, they should be conducted at least annually for the duration of the program or PO. At least three projects under the democracy initiative are planning to conducts surveys to provide data to measure progress on achievement of targets. There is, therefore, a particular need to coordinate efforts and conduct survey work efficiently.

B. Strategic Objective 2: Increased Incomes and Employment of the Poor

1. Strategic Framework - An Overview

This strategic objective is one of three that was developed from the economic growth SO, *Broader-based sustainable economic growth*, reported in last year's Action Plan. The framework for the proposed Strategic Objective 2 is presented in Figure 4. The specification of income and employment in the SO statement reflects Mission commitment to productive economic expansion, in support of the Government of Peru's recognition of the critical need to increase economic opportunities for the poor, and a belief that Mission projects and programs can have a significant impact in this area[4]. The Mission's strategy for achieving SO 2 is based on Mission analysis which suggests that substantial potential for income and employment generation exists in the microenterprise and small producer subsectors, and customer response to such opportunities.

The major constraints to realizing such potential are seen as the policy environment, inaccessibility to markets (local, regional and international), the relatively low productivity of many microenterprises and small farms, and the lack of incentives for reducing production of coca in rural Peru. It is these constraints that Mission activities in the economic growth area seek to address and which are reflected in the four program outcomes which lead to achievement of Strategic Objective 2.

Several activities support achievement of the strategic objective. These are carried out through the Microenterprise and Small Producers Support (MSP) Project, the Policy Analysis, Planning and Implementation Project, the Alternative Development Project, the PVO Support Project, and P. L. 480, Title III activities.

2. Critical Assumptions

A few critical assumptions link achievement of the program outcomes with achievement of the strategic objective. The SO working group identified these to be:

a. financing of major road projects by other development partners, as planned,
b. continued security in the rural areas, and
c. continued GOP support for poverty alleviation.

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[4] The targeting of Peru's poor is consonant with an overall Mission program focus on Peru's poor population. Regarding this strategic objective, "poor" can be considered roughly equivalent to Peru's third and fourth income quintiles. That is, not the "extremely poor," whose number approximates 3-4 million, nor the upper 30%-40% of income earners, but the income strata between these groups.

FIGURE 4

STRATEGIC OBJECTIVE No.2
INCREASED INCOMES AND EMPLOYMENT OF THE POOR

PERFORMANCE INDICATORS:
- GDP per Capita
- Value of consumption of urban poor
- Value of consumption of rural poor
- % of poor population (m/f)
- Level of under employment

PROGRAM OUTCOME 2.1
Improved Policy Environment for Broad-Based Growth

Indicators:

- Social expenditures as a % of GDP
- Policy Matrix Score
- % of studies and technical assistance contributing to policy (regulatory, operational, legal or procedural) changes

Supporting Projects:

PAPI
MSP
PL480- Title III

PROGRAM OUTCOME 2.2
Increased Market Access for Microentrepreneurs and Small Farmers

Indicators

- Change in volume of sales of targeted commodities
- Value of goods sold
- Number of new markets for targeted commodities

Supporting Projects:

MSP
AD
PVO Support

PROGRAM OUTCOME 2.3
Increased Productivity of Microenterprises and Small Farms

Indicators

- Average % change in yield per ha of targeted crops
- Average % change in volume of sales of targeted commodities per worker
- Number of women/men using project promoted improved practices
- % loans repaid on schedule (males/females)

Supporting Projects:

MSP
AD
PVO Support

PROGRAM OUTCOME 2.4
Increased Incentives for Licit Economic Activities in Targeted Coca Areas

Indicators

- Number ha devoted to licit crops in targeted areas
- % of household in targeted areas using basic services made available through USAID assistance
- Number of paid jobs in licit activities in targeted areas males/females

Supporting Projects:

AD
MSP
LGD

3. Modifications to Strategic Framework Since the FY 1995 - 96 Action Plan

Strategic Objective Level: Increased Incomes and Employment of the Poor

As mentioned above, Strategic Objective 2 was developed from the economic growth SO, *Broader-based sustainable economic growth*, that resulted from last year's Action Plan process. It may, thus, be reasonable to consider SO 2 a "new" strategic objective. However, it encompasses much of what was included in the "old" economic growth SO and the working group used the "old" objective as a starting point. Therefore, it is useful to think of a substantial portion of the SO 2 framework as a modification of last year's broad-based SO.

The rationale for changing the strategic objective statement was based on two principle considerations. First, the working group for Strategic Objective 2 felt strongly that the economic growth SO presented last year is well beyond the Mission's manageable interest. Second, there was a shared feeling among the working groups for Strategic Objectives 2, 3 and 5 that the portfolio of Mission activities subsumed under the "broader-based growth" SO contained interventions with substantially different objectives. This SO, therefore, reflects an effort by the working group to both delineate the expected result of Mission activities that specifically focus on productive economic growth and to define a strategic objective that is within the manageable interest of the Mission[5].

Program Outcome 2.1: Improved Policy Environment for Broad-based Growth

Program Outcome 2.1 is not substantively different from the "*improved economic and social policies*" program outcome presented in the FY 95-96 Action Plan. The new articulation suggested by the working group more explicitly reflects the Mission's objective of improving the overall policy environment, including consolidation of policies and the deepening of policy changes to stimulate economic growth. While there have been significant changes in macro-economic policies[6], changes in sectoral policies, procedures, regulations and operations are needed to more fully realize the benefits of the macro-economic policy changes.

Program Outcome 2.2: Increased Market Access for Microentrepreneurs and Small Farmers

Program Outcome 2.2 represents a significant modification to the second program outcome

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5 This SO not only addresses the issue of manageable interest by reducing the breadth of the strategic objective (i.e., from equitable and sustainable economy-wide growth to employment and income expansion), but also by targeting a specific population group.

6 *Mission support was instrumental in bringing about some of these changes.*

which supports Strategic Objective 2 in last year's Action Plan. The PO had been stated as: *Expanded opportunities and participation by low-income groups in an outward-looking market economy*. The working group felt it necessary to change the PO presented last year for several reasons. First, the objective statement was seen as ambiguous, non-operational and problematic with regards to objective verification. For example, the working group thought the practical meaning of "opportunities and participation" was unclear and somewhat intangible. Second, the PO statement included objectives at two discrete levels, i.e., opportunities and participation are objectives which reflect different levels of impact. More precisely, increased participation can be seen as a result of increased opportunities, not as an objective which parallels an expansion of opportunity. Lastly, the working group felt that the final portion of the PO statement, "in an outward looking economy," lent confusion to the PO and might be read to imply that part of the program outcome objective was to increase the outward-looking nature of Peru's economy.

Therefore, the working group recommends this more precise articulation of the program outcome statement. The working group considers that the revised program outcome is more objectively verifiable, increases the transparency and clarity of the objective of Mission's efforts in this program area, and facilitates the framing of more precise and direct management questions.

Program Outcome 2.3: Increased Productivity of Microenterprises and Small Farms

Program Outcome 2.3 is new.[7] It has been added to the strategic framework to reflect the specific objective of program activities aimed at increasing operational and management efficiency and the use of improved production technologies. This PO highlights the higher order objective of increasing the rate of return earned by small farmers and microentrepreneurs. This outcome, and supportive Mission activities, were subsumed under Program Outcome 2 in last year's Action Plan.

Program Outcome 2.4: Increased Incentives for Licit Economic Activity in Coca Areas

This program outcome is also new. It has been added to the framework for Strategic Objective 2 to document the results sought by the Mission in targeted coca producing areas. Evidence from previous Mission activities in coca areas supports the contention that coca growing will decrease if viable economic options are available to the producers since the income they receive from coca is relatively low. The incentives also consist of social infrastructure such as schools, health facilities and potable water supplies. Local residents will be involved in the decision - making process about what activities will be undertaken.

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7 The third PO presented in the FY 1995-96 Action Plan, *Improved targeting of safety net programs*, has been exclused under the new SO. Food security is the focus of a separate strategic objective.

3. Performance Indicators

The following discussion covers proposed changes in the indicators. Annex 3 presents the proposed performance measurement and reporting plan.

Strategic Objective Level: Increased Incomes and Employment of the Poor

The following were stated as indicators of the former SO, *Broader - Based, Sustainable Economic Growth*:

- Gross domestic product per capita,
- Value of consumption of low-income urban groups, and
- Value of consumption of low-income rural groups.

Besides retaining the three indicators used in 1995-96 Action Plan, two additional indicators are proposed to measure progress in achievement of the proposed SO:

- Proportion of the population (disaggregated by sex) that is poor, and
- Level of under-employment (disaggregated by sex).

The indicators capture the intent of the objective: expansion of employment opportunities so that development is more broad-based and concomitantly increased incomes as a result of the employment generated. The indicators are national in scope for two reasons. First, they are intended to capture the impacts from the forward and backward linkages of USAID/Peru's client microentrepreneurs and small farmers. Second, because there has been an influx of poor people moving from rural to urban areas, it is misleading to measure only poor rural households since part of this group is migrating into the urban areas. The Mission decided to track GDP per capita so that it can be compared with data on the value of consumption of the urban poor and rural poor to show relative improvement of the poor within the context of the national economy.
It is anticipated that incomes of the poor will grow faster than the average GDP per capita.

Program Outcome 2.1: Improved Policy Environment for Broad-Based Growth

The indicators for the PO stated in the previous Action Plan were:

- Social expenditures as percentage of GDP,
- Maintenance of primary budget surplus,
- Microenterprise policy framework, and,
- Agricultural marketing policy framework.

The proposed indicators are:

- Social expenditures as percentage of GDP,

- Policy Matrix Score, and,
- Percentage of the studies and technical assistance contributing to policy changes.

The previous policy framework indicators were qualitative statements on progress, and budget surplus was measured by a "yes/no". The policy matrix being developed tracks the studies and technical assistance funded by USAID through various stages. Use of a matrix permits the Mission to capture the extent of the impacts, e.g. increased policy dialogue or policy implementation. The strategy pursued by the Mission, which has proved to be successful, is to support studies and technical assistance requested by the public and private sectors. In this way, USAID/Peru lends support to those agencies and organizations in Peru which will play a leading role in advocating or making the changes. A policy matrix score will serve as one of the indicators of progress towards achievement of this PO. In addition, to highlight success in influencing policy changes, an indicator will measure the "percent of studies and technical assistance funded by USAID which contributed to policy changes". The wording "contributed" recognizes that many factors interact to determine whether or not a recommended change is adopted.

Program Outcome 2.2: Increased Market Access for Microentrepreneurs and Small Farmers

As stated above, this PO represents a significant modification to the program outcome presented as supporting the SO in last year's Action Plan. As such, the former indicators were inappropriate.

The proposed indicators are:

- Average percentage change in volume of sales of targeted commodities,
- Value of targeted goods sold, and,
- Number of new markets for targeted commodities.

"Access" is a difficult concept to measure: one either focuses on the conditions which permit access or the results of greater access. The working group chose to measure elements which indicate effective access.

Program Outcome 2.3: Increased Productivity of Microenterprises and Small Farms

This is a new PO statement. The proposed indicators are:

- Average percentage change in yield per hectare of targeted crops,
- Average percentage change in volume of sales of targeted commodities per worker,
- Number of women and men using project promoted improved practices, and

- Percentage of loans repaid on schedule (disaggregated by sex) .

The indicators measure increased productivity on small farms and among small producers. The indicator on "use of improved practices" will sum up across projects the number of men and number of women who are using the practices promoted by Mission activities. This includes practices such as improved soil conservation, improved cropping practices and improved production techniques in non-farm based enterprises.

Loan repayment on schedule is taken as a proxy indicator for increased productivity. Repayment rate data will be disaggregated by sex of the loan recipient.

Program Outcome 2.4: Increased Incentives for Licit Economic Activities in Coca Areas

The indicators proposed for this new PO are listed below. Other results from development actions in coca areas contribute to and are counted under POs 2.2 and 2.3. Where appropriate, provision has been made for recording this information in a manner so that interested parties might have access to data disaggregated for these critical geographic areas.

The proposed indicators are:

- Number of hectares devoted to licit crops in targeted areas,
- Percentage of households in targeted areas using project-supported basic services, and,
- Number of paid jobs in licit activities in targeted areas: men/women.

Coca production occurs primarily in poor communities where households have few alternatives for economic activity and basic services are inadequate or lacking. Studies have shown that producers of coca receive relatively low prices for the crop, and hence more lucrative employment is appealing to poor producers. Increased farm gate price due to better access to markets for licit crops presents a more profitable alternative to coca growing. Establishment of agro-processing and related enterprises is expected to increase the number of paid jobs for men and women. To help gain the support of communities some basic social infrastructure will be provided. The interventions will be determined by men and women in the targeted communities.

5. Monitoring and Evaluation Issues and Next Steps

a. The SO 2 working group has progressed in developing its strategy and identifying indicators to measure performance. However, there are a few indicators which need further attention before plans to collect data are developed. A couple of the indicators do not appear to be good direct or proxy measures of their respective objective statement. In particular, GDP per capita is not a good measure of increased incomes and employment of

the poor. Also, it is questionable if monetary values should be expressed in U.S. dollars; if the dollar value of the solis is considered a sound indicator of the real value of the solis, then this should be specified. The comments section of the Action Plan reporting might include a statement about the absolute and real value in solis.

Loans repaid on schedule may not be a good indicator of increased productivity. It assumes that increased productivity leads to increased income and hence loans are repaid. However, microenterpreneurs may choose to increase productivity but lower number of hours worked and hence earn the same level of income. Also, it assumes that the loans for microenterprises are repaid from enterprise revenue. This need not be true. The SO working group should review the data on Peru to determine if the underlying assumptions hold. If data are not available, it may want to investigate this further. Or, the working group may want to use loan repayment as an indicator of increased market access, particularly if the intent is to make the provision of financial services sustainable.

b. Further work needs to be done on devising the policy matrix. This should be carried out in consort with the development partners which are expected to track the information.

c. While discussions were held with some development partners about the availability of data on proposed indications, it is recommended that meetings be held with representatives of all of the projects to elaborate data collection, processing and analyses plans. In cases where more than one project will be contributing data on a particular indicator, the projects should agree on a standard method for data collection (e.g.. the same question is being asked and a similar sampling method used) and definitions .

d. Concern was expressed in the SO working group that the direct linkage of USAID/Peru's activities to income and employment are not measured in the program performance measurement plan. According to Agency guidance, SO level data represents a higher level result to which a mission contributes, while the PO level represents a direct link to mission activities. USAID's program performance measurement system does not require that missions "prove" attribution; rather, there should be evidence of plausible association. The PRISM consultant recommends that the Mission not undertake income studies to measure its direct contribution because of the difficulties of obtaining reliable income data. However, the SO working group might request its projects to collect sex disaggregated data on employment, which could be supplemented by general information on wage rates.

C. Strategic Objective 3: Improved Food Security of the Extremely Poor

1. Strategic Framework - An Overview

USAID/Peru's portfolio includes a very significant PL 480 program (approximately $78 million in FY 1994). In the Mission strategy presented in the FY 1995-96 Action Plan, the food aid program was subsumed under the framework of the broad-based economic growth strategic objective. A review of that strategic objective by the Mission and PRISM team in November 1994 led to the proposed disaggregation of the broad-based economic growth strategic objective into three new or revised SOs, one of which directly captures Mission efforts in the food security area.

Strategic Objective 3, *Improved food security of the extremely poor*, represents the intended impact of the food aid program. The SO focuses explicitly on Peru's extreme poor, a group numbering approximately 3-4 million or about 20% of the total population. It is important to note that USAID/Peru's food aid program is *directly targeted* at increasing food security in Peru. In a number of USAID missions with food aid programs the relationship between PL 480-funded activities and improved food security is indirect. As evidence of this, many missions with substantial PL 480 resources have developed mission strategies that include no explicit reference to their food aid programs (in some cases this makes sense). Given the structure and focus of USAID/Peru's food program, the definition of a discrete food security strategic objective is appropriate and reasonable. The Mission's recently approved food security strategy paper, which was developed through consultation with clients and representatives of development partners, was used to guide setting this strategic objective, program outcomes and indicators.

The strategy used to achieve SO 3 differs from the strategy for achievement of SO 4, which centers on improved health of high-risk populations, since they are based on different hypotheses. The strategy for SO 3 centers on three dimensions of food security: access, availability and utilization. The hypotheses underlying this SO are: a) increased levels of basic education among the extremely poor (especially education of girls) contributes to improved food security at the household level due to increased knowledge about nutrition, and increased knowledge and skills which result in their ability to feed their families; b) increased income in extremely poor households leads to increased expenditure on food which in turn results in lower malnutrition rates among children in these households; and, c) rehabilitation of malnourished children leads to a decrease in the rates of malnutrition since the caretakers receive information and other forms of assistance.

Both Strategic Objectives 2 and 3 contain income generation elements. The working groups for SO 2 and 3 spent considerable time defining the differences between the two programs. SO 3 centers on the food insecure in targeted geographic areas, while SO 2 programs seek to benefit the poor, but not necessarily food insecure. The clients associated with Mission supported activities directed at achieving SO 3 program outcomes are not the same clients reached by

FIGURE 5

STRATEGIC OBJECTIVE No. 3
IMPROVED FOOD SECURITY OF THE EXTREMELY POOR.

PERFORMANCE INDICATORS:
- Rates of global malnutrition
- Rates of chronic malnutrition in extremely poor areas
- Per capita food availability
- Primary educational completion rates of girls and boys

PROGRAM OUTCOME #1
Nutritional rehabilitation of children under five in program households

Indicators:

- Number of high-risk children participating in Title II nutritional rehabilitation programs
- Rate of graduation of high-risk children (boys and girls) from program

Supporting Projects

Title II
Title III

PROGRAM OUTCOME #2
Increased income available for food consumption in extremely poor households

Indicators

- Number of extremely poor households adopting improved agricultural production technology
- Hectarage under intensified management through program interventions
- Number of microenterprises assisted in extremely poor areas (m/f owned)
- Rate of loan/revolving fund repayment (m/f recipients)
- Number of men/women temporaryly employed through food for work

Supporting Projects

Title II
Title III
PVO Support

PROGRAM OUTCOME #3
Increased basic education for extremely poor

Indicators

- Drop out rates of school aged children (boys/girls) in program households
- Level of GOP budgetary commitment to primary education in extremely poor areas.

Supporting Projects

World Food Program
Title III

USAID funded activities under SO 2, PO 2.3. The strategy underlying PO 2.3 is to identify market niches for products made by microenterpreneurs and small farmers and then to work with key associations and groups associated with production of these products. In contrast, the strategy for SO 3 centers on working in extremely poor geographic areas and assisting the most vulnerable with opportunities to earn an income.

The first program outcome - *nutritional rehabilitation of children under five in program households* - reflects Mission activities directly aimed at improving the nutritional status of acutely and chronically malnourished Peruvians. Specifically, this PO captures USAID/Peru's efforts to increase the ability of food to those in need and to increase people's ability to fully utilize the food they consume.

Program Outcome 3.2 - *Increased income available for food consumption in extremely poor households* - principally addresses the access component of food security. Mission programs in this area support income generation among extremely poor households through microenterprise and agricultural production activities. Achievement of the outcome is also supported through the food for work mechanism which creates temporary employment for social, environmental and infrastructural investments.

PO 3.2 appears to be very similar to SO 2. However, an examination of the target beneficiaries and underlying strategies of each objective clarifies their differences. The SO 3 strategy centers on activities to increase the incomes of the extremely poor in order to increase their access to food. In comparison, the strategy underlying achievement of SO 2 is more concerned with the productive economic expansion of small farms and microenterprises in order to increase incomes and is not concerned about how the income is used.

Program Outcome 3.3 - *increased basic education for the extremely poor* - emphasizes the Mission's concern with basic education as a means to achieving food security. This reflects a concern with the longer term sustainability of the Mission effort to develop food security in the country. The SO takes a 5-8 year time frame and targets activities at those households that are currently extremely poor, but the strategy recognizes that an important measure of success will actually involve reducing, both in absolute and relative terms, the size of this disadvantaged population. The strategy supports the growing body of evidence that suggests basic education attainment, especially for young girls, leads to more permanent improvements in food access and utilization.

Interventions funded by the Mission's PL 480 Title II and III programs support the achievement of SO 3. A sub-set of policies issues being addressed under the PAPI Project pertains to food security.

2. Critical Assumptions

Critical assumtions to meeting this strategic objective center on the complementarity between the Mission's SO and the broader concept of food security outlined in the Mission's "Food Security Strategy for Peru" which notes that "Peru's food insecurity is more than anything else a question of poverty." The Mission SO focusses on what can be accomplished through effective use of its feeding programs and associated Title II development activities. For this strategy to be effective, it is assumed that overall economic growth will absorb large segments of the currently extremely poor populations (which would strengthen the link between PO 3.2 and the SO). In this way, the outcomes under this SO will reach a strategically more important segment of the remaining disadvantaged group. In essence the strategy assumes that the present over-reliance on food assistance to insure food security will diminish if the current economic policies and outward growth strategy is maintained over the 5-8 year time frame of the SO.

3. Modifications to the Strategic Framework

The proposed strategic framework for SO 3 is new and, therefore, is not a modification of a previously or currently existing SO framework. There was only one result related to food security activities in the strategic plan presented in last year's Action plan (the third program outcome under the economic growth SO).

4. Performance Indicators

The proposed indicators are discussed below. See Annex 4 for the proposed performance measurement and reporting plan.

Strategic Objective Level: Improved Food Security for the Extremely Poor

At the strategic objective level, four indicators have been chosen to measure access, availability, and utilization dimensions of *Improved food security for the extremely poor* in Peru:

- Rates of chronic malnutrition,
- Rates of global malnutrition,
- Per capita food availability, and
- Primary educational attainment rates, disaggregated by sex.

The Working Group felt that the impacts sought are best captured through measures of malnutrition. Two measures -- chronic malnutrition and global malnutrition -- were selected with the former focussing on the effectiveness of preventative aspects and the latter more broadly with greater weight to rehabilitative strategies. Food availability will be measured

using a national composite indicator of per capita daily caloric availability. The all important dimension of sustainability is proposed as being captured by the proxy indicator of primary school attainment or completion rates for girls and boys in extremely poor departments (geographically delineated administrative areas).

Program Outcome 3.1: Nutritional Rehabilitation of Children Under Five Years Old in Program Households

This PO is measured directly by two indicators:

- Number of high risk children participating in Title II nutritional rehabilitation programs, and
- Rate of graduation of high risk children (boys and girls) from program.

The first measures improved coverage through employment of better targeting mechanisms (geographic and socio-economic screening filters), while the second measures the actual results of the program on targeted households and specifically on the malnourished children of those households. The second measures the effectiveness of the program, because, to graduate, children would need to be fully rehabilitated as determined by a set of objective indicators that includes nutritional height/weight/age statistics.

Program Outcome 3.2: Increased Income Available for Food Consumption in Extremely Poor Households

The indicators selection of PO 3.2 reflect the range of activities directed to achieving this outcome. The data will be taken from the Mission's overall Title II monitoring system. There are five indicators for this PO:

- Number of households adopting improved agricultural production technologies,
- Number of hectares under intensified management,
- Number of microenterprises assisted in extremely poor areas,
- Rate of loan/revolving fund repayment among male and female recipients, and,
- Number of persons (male/female) with temporary employment created through the program.

The first two indicators are aimed to register program efforts to increase on-farm production of food and saleable commodities. It is important to measure both numbers and overall area since farmers often adopt in a step-wise fashion employing new technologies and practices on only a small portion of the overall holding. The third indicator tracks the scale of the program component designed to employ and create employment in non-farm enterprises. Because they represent a diverse range of economic endeavors, the viability of these farm and non-farm income producing strategies is being tracked through a fourth more broadly embracing proxy indicator of repayment rates. It was felt that repayment rates would also provide a sense of sustainability since the skills and fiscal responsibility represented could be

transferable to subsequent economic activities. The fifth indicator which tracks temporary employment is less concerned with sustainability than with the safety net dimension of the food program; however, many of the investments in environment, transport, and schools for example will have long term benefits some of which will contribute to long term employmen opportunities.

Program Outcome 3.3: Increased Basic Education for the Extremely Poor

Achievement of this final PO is supported by a two-pronged strategy. Using food aid subsidies, the program aims to develop an innovative model for improved basic education in extremely poor rural areas. The Mission then intends to leverage this approach through its role as the largest food assistance donor, through policy dialogue and donor coordination including the use of remaining trust funds in an effort to increase GOP social sector investment in the area of basic education. These efforts are designed to achieve the PO which will be measured by the following two indicators:

- Drop out rates of school age children (boys/girls) in program households, and
- Level of GOP budgetary commitment to primary education in extremely poor areas.

By reducing drop out rates, attainment rates - an SO level indicator - will be enhanced. Spread beyond program areas will be reflected in increased public sector resources being committed. The Mission recognizes that for the results reported under the second indicator to be directly attributable to USAID supported actions, special attention will be needed in documenting and reporting the plausible linkage between its policy and coordination activities and the measured changes.

5. Monitoring and Evaluation Issues and Next Steps

a. The SO working group should reconsider using per capita food availability as a measure of improved food security of the extremely poor since availability does not seem to be a good proxy or direct measure of food security for the extremely poor. As stated in the food security strategy paper, poverty is a major hindrance. Access and distribution rather than overall availability appear to be the most critical problems.

b. The SO working group should meet with key managers of the implementing organizations to elaborate data collection and analyses plans. When data from more than one implementing agency will be used to report on a single indicator, definitions and data collection methods should be standardized. The process for standardizing these should be participatory.

c. For those indicators for which baseline data, and optimally, some time series data are available, the SO working group in consultation with its development partners should define performance targets (i.e., expected results).

D. Strategic Objective 4: Improved Health of High-risk Populations

1. Strategic Framework - An Overview

The proposed framework for SO 4 is presented in Figure 6 on the following page. The focus of Strategic Objective 4 on high risk populations recognizes the variability of health status in Peru across geographic regions and key population groups. Specifically, the health of people living in the rural and peri-urban poverty areas is substantially below that of those living in established urban areas (e.g., an urban infant mortality rate of 48 compared to a rural rate of 90). Also, this objective focuses on women of child bearing age and children under the age of four. It is these sub-populations of greatest need that USAID/Peru feels its program has a comparative advantage and the opportunity to have its most significant impact.

This strategic objective is closely linked to other elements in the Mission's program strategy. Achievement of SO 4 is linked with achievement of SO 2 - Increased Incomes and Employment: chronic malnutrition is expected to decrease as a result of increased incomes. Improvements in the area of environmental health, addressed under SO 5, will contribute to improved health of high-risk populations. This SO differs from SO 3 in terms of the targeted population, the hypotheses underlying the strategy, and the elements supporting achievement of it.

The SO working group has defined three intermediate level results: Program Outcome 4.1, *Increased use of primary health care*; Program Outcome 4.2, *Heightened sustainability of primary health care;* and, Program Outcome 4.3, *Increased use of preventive practices and first-line care in the home and community*[8]. These POs represent an integrated approach to achieving improved health, focusing on both the provision of health care services through health facilities and delivery points, and on the use of preventive practices outside of health care facilities,[9] while giving attention to the sustainability of the organizations and systems which provide both curative and preventive services. Achievement of these program outcomes will contribute to improved health of high risk populations.

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8 The decision to include environmental health under SO 5 was taken after SO 4 and 5 working groups discussed the implications and reviewed the Strategy Guidelines issued by PPC in March 1995.

9 An alternative approach to framing the strategy for Strategic Objective 4 was discussed among the SO working group members. Under the approach discussed the strategic objective would have remained the same but the program outcomes would have been framed in terms of specific areas of program activity, for example: increased use of family planning services, improved disease prevention and treatment, improved nutrition in children under three years of age, etc. After consideration, however, the working group rejected this approach, viewing the POs as a categorical disaggregation of the SO. The working group determined that the framework outlined in the main body of this report represented a more causal/strategic definition of the SO 4 strategy.

FIGURE 6

STRATEGIC OBJECTIVE No. 4
IMPROVED HEALTH OF HIGH-RISK POPULATIONS

PERFORMANCE INDICATORS:

- Infant and child mortality (IMR & CMR)*
- Fertility (TFR)*
- Maternal mortality (MMR)*
- Chronic malnutrition in children (H/A)*

* rural/peri-urban

PROGRAM OUTCOME 4.1
Increased Use of Primary Health Care

Indicators:

- Immunization coverage for DPT
- Immunization coverage for Polio.
- Immunization coverage for Measles.
- Immunization coverage rate for tetanus toxoid in target areas.
- Couple Years of Protection

Supporting Projects:

CSAP
P2000
PFPIP
SHIP
CFP
PVFP

PROGRAM OUTCOME 4.2
Heightened Sustainability of Primary Health Care

Indicators:

- Average percentage of costs recovered in targeted private sector facilities.
- Percentage of MOH costs recovered in selected sub-regions.
- Percentage of targeted health personnel trained in primary health care interventions.
- Percentage of priority health sub-regions receiving at least 75% of their required supplies.
- Percentage of commercial contraceptives distributed through the private sector at community level.

Supporting Projects:

CSAP
P2000
SHIP
CFP
PVFP

PROGRAM OUTCOME 4.3
Increased Use of Preventive Practices and First-Line Care in the Home and Community

Indicators:

- Average duration of exclusive breastfeeding in targeted areas
- Proportion of children between 6 and 9 months receiving adequate weaning foods a day
- Percentage of caretakers who know the signs and symptoms of acute respiratory diseases
- Proportion of communities in targeted areas with trained birth attendants, health promoters, CBDs, and mini-pharmacies
- Change in contraceptive discontinuation rates in targeted areas

Supporting Projects:

P2000
SHIP
PVO Support

Five currently active projects managed by the Mission contribute to the achievement of all of the program outcomes in this strategic framework: the Child Survival Action Project (CSAP), the Strengthening Private Sector Health Institutions Project (SHIP), Project 2000, the Private Voluntary Sector Family Planning Services Expansion Project and the centrally funded Peru Family Planning Implementation Project (PFPIP). In addition, the activities of the Private Commercial Family Planning Project support Program Outcome 4.1.

2. Critical Assumptions

The SO working group has articulated the following critical assumptions which link achievement of the POs with achievement of the SO:

- large investments in sanitation and potable water supplies supported by other development agencies,
- implementation of other donor-supported projects in regions not served by USAID activities,
- continued GOP support for family planning, and
- continued security in rural areas.

3. Modifications to the Strategic Framework

Strategic Objective Level: Improved Health of High-risk Populations

No changes were made to statement of the Strategic Objective[10] since the FY 1995-96 Action Plan, although the SO working group did discuss several issues related to the focus of the objective statement. The most important issue concerned the extent to which mission activities in this area targeted maternal and child health as distinct from a broader focus on the overall health status of high risk populations . The working group determined that the high risk populations are women of child bearing age, children under four years of age, and people in rural and peri-urban areas.

In addition, the SO working group emphasized that the philosophy which drives project and program design in the Mission's Office of Health, Population and Nutrition (HPN) is one of comprehensive primary health care. This philosophy is consistent with the 1978 Declaration of Alma-Ata which defines primary health care as consisting of eight principal elements, the

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[10] *In USAID/Peru's 1995-96 Action Plan this strategic objective is presented in two different articulations. In objective trees on pages 8,35 and 36 it is presented in the same form as is discussed in this report. In introducing the narrative discussion on page 28, however, the SO is defined as, Improved health of high-risk populations through access to and use of quality, sustainable primary health care, including increased community involvement. Prior to the first PRISM team's arrival the Mission had already determined that the more precise articulation was the most appropriate alternative.*

scope of which extends beyond maternal and child health[11]. The Mission and HPN have adopted this somewhat broad and integrated approach due to their assessment that much of the health impact from targeted maternal and child health activities in the sense of child survival has already been realized in Peru. In order to realize further gains such as improving the quality of survivorship, the Mission sees it as appropriate and necessary to support a more comprehensive approach to primary health care. For the preceding reasons, the SO working group felt that the articulation of Strategic Objective 4 required no modification. Additionally, the SO was seen as within the Mission's manageable interest.

Program Outcome 4.1: Increased Use of Primary Health Care

This program outcome was modified to focus exclusively on the use of primary health care. The previous articulation of *Increased Equity of Access and Use of Primary Health Care*, was determined by the SO working group to be imprecise and multidimensional. Specifically, by including both access and use, the previous PO was seen to include two levels of objectives that had a causal relationship to each other (i.e., access to primary health care is one of the causal determinants of use). In an effort to both make the strategic framework for SO 4 more logically consistent, and to clarify analytic and managerial questions and issues, the concept of access was deleted from Program Outcome 4.1.

Program Outcome 4.2: Heightened Sustainability of Primary Health Care

Program Outcome 4.2 has not been changed. The working group did discuss an issue which had been raised in an earlier LAC Bureau review; namely, do program activities focusing on sustainability conflict with program activities that are focused on increasing access to (and eventually use of) primary health care? This line of thought posits that some interventions aimed at increased sustainability (e.g., cost recovery) may result in a reduction in access to health care, and vice versa. The working group pointed out that this had been the case in the past in Peru, but that now activities supporting access and sustainability were mutually reinforcing. Therefore, PO 4.2 is seen as consistent with, and critical to, the achievement of Strategic Objective 4.

Program Outcome 4.3: Increased Use of Preventive Practices and First-line Care in the Home and Community

The articulation of Program Outcome 4.3 was refined to clarify its meaning and intent, as

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[11] As detailed in USAID/Peru's 1995-96 Action Plan (page B-3), the Declaration of Alma-Ata indicates that primary health care consists of: "education concerning prevailing health problems and the methods of controlling and preventing them; promotion of food supply and proper nutrition; an adequate supply of safe water and basic sanitation; maternal and child health care, including family planning; immunization against the major infectious diseases; prevention and control of locally endemic diseases; appropriate treatment of common diseases and injuries; and provision of essential drugs."

well as to make it more objectively verifiable. This PO had been defined as, *Strengthened Preventive and Appropriate First-line Care in the Home and Community*. The SO working group recognized that "strengthened" is somewhat ambiguous in this context and that it is an unnecessarily subjective manner of defining the Mission's principal program objective in this area. Therefore, "strengthened" was replaced with "increased use" to clarify the Mission's intended objective in community and home-based health care, and to make more objective the measurement of progress towards the PO.

4. Performance Indicators

The indicators are discussed below. Annex 5 contains the proposed performance measurement and reporting plan.

Strategic Objective Level: Improved Health of High Risk Populations

The indicators for achievement of the SO remain the same as in the 1995-96 Action Plan, except for two modification. First, rather than presenting national level statistics, the data will be disaggregated to provide information specifically on rural and on peri-urban populations. The peri-urban breakdown is a new dimension; previously the tables presented national statistics while the comments section provided comparative statistics for urban and rural areas. Second, the previous Action Plan added "Transmission of HIV/AIDS" as an indicator, but stated that this was not a current Mission area of intervention. While the Mission considers it as important, since there is not a concentration of activities focused on this result, it has been removed from the indicators of program achievement.

The SO indicators are:

- Infant mortality rate: Rural/Peri-urban;
- Under- five mortality rate: Rural/Peri-urban;
- Chronic malnutrition rate in children under 5 years old;
- Maternal mortality rate: Rural/Peri-urban; and,
- Total fertility rate: Rural/Peri-urban.

Program Outcome 4.1: Increased Use of Primary Health Care

In last year's Action Plan almost all of the indicators for primary health care and preventive care POs were based on information from the Demographic and Health Survey which is conducted every five years. Since data on POs should be reported annually or bi-annually, the SO working group spent considerable time identifying indicators for which it is feasible to obtain data on a regular basis.

The indicators stated in last year's Action Plan are:

- Immunization coverage for 6 EPI childhood diseases,
- Immunization coverage for tetanus toxoid,
- Proportion of births attended by trained personnel,
- Proportion of pneumonia cases treated appropriately,
- Proportion of diarrhea cases treated appropriately,
- Contraceptive prevalence rate,
- Proportion of birth intervals <24 months, and
- Proportion of women receiving prenatal care.

Taking into account the feasibility of obtaining good data on a regular basis, the following are proposed as indicators:

- Immunization coverage rate for children under one year old in calendar year: DPT 3;
- Immunization coverage rate for children under one year old in calendar year: Polio 3;
- Immunization coverage rate of children under one year old in calendar year: Measles;
- Immunization coverage rate of women in target areas for tetanus toxoid vaccine in calendar year; and,
- Couple years of protection.

The SO working group discussed the desirability of including *Couple years of protection* as an indicator, since it does not reflect quality of service nor type of contraceptives. The group intends to provide information on method mix to complement the CYP data. Data on contraceptive prevalence rates (CPR) are preferred but this information is gathered by the DHS survey every five years. When available, the CPR data will be reported. The vaccination coverage data shall be based on Ministry of Health statistics.

Program Outcome 4.2: Heightened Sustainability of Primary Health Care

The following indicators were stated in last year's Action Plan for this PO.

- Proportion of health personnel trained in key technical areas and management.
- Proportion of health facilities with basic equipment and supplies.
- Proportion of family planning delivery sites offering adequate range of contraceptives.
- Proportion of family planning delivery sites with personnel trained in counseling.
- Proportion of annual costs recovered through user fees.
- Proportion of annual costs supported through other income generation.
- Total proportion of annual costs supported through non-donor funds.

The above list has been significantly changed to more closely link the indicator data with the Mission's activities and to reduce the number of indicators. The SO working group proposes the following indicators for this PO. As a set, the indicators measure both financial sustainability and programmatic sustainability.

- Average percentage of costs recovered in targeted private sector facilities.
- Percentage of MOH costs recovered in targeted sub-regions.
- Percentage of targeted personnel trained in primary health care interventions.
- Percentage of priority health sub-regions receiving at least 75% of their required supplies.
- Percentage of contraceptives distributed through the private sector.

Program Outcome 4.3: Increased Use of Preventive Practices and First-Line Care in the Home and Community

Last year's Action Plan listed the following as indicators of the PO, *Strengthened preventive and appropriate first-line care in the home and community.*

- Average duration of exclusive breastfeeding.
- Proportion of children who received home-based oral rehydration therapy. during last episode of diarrhea.
- Proportion of children who received two daily rations of appropriate weaning foods.
- Contraceptive failure rate.

The SO working group proposes the following indicators for this PO.

- Average number of months of exclusive breastfeeding in targeted areas.
- Proportion of children under 24 months old (in targeted areas) who receive at least two portions of appropriate weaning foods a day.
- Percentage of caretakers in targeted areas who know the signs and symptoms of acute respiratory infections.
- Number of communities in targeted areas with trained birth attendants, health promoters, community based distributors and mini-pharmacies.
- Percentage change in contraceptive discontinuation rates in targeted areas.

The proposed indicators are more closely linked than those in the 1995-96 Action Plan with results sought in rural and peri-urban areas. The indicator set covers a range of preventive practices in the home. The number of communities with trained local health promoters and preventive health service providers is used as a proxy for use of first-line care in the community. Special project studies or evaluations will document the quality of the community-based providers and extent to which they are used.

Presently information is not being collected in a systematic manner on the above indicators.

The SO working group met with a person from INEI who briefed them about the plans for a survey of the poor which will be carried out three times a year. The core module focuses on income and employment. INEI is seeking clients who wish to have specific data collected through add-on modules. The HPN office is pursuing the possibility of contracting with INEI to gather data on the above indicators on a bi-annual basis.

5. Monitoring and Evaluation Issues and Next Steps

The SO 4 working group has made substantial progress in developing its program performance measurement plan. Concern was expressed about the "real" time lag between "inputs" and the manifestation of their results/impacts. Nevertheless, the group decided to retain the SO indicators presented in the previous Action Plan.

It does not appear to be cost-effective to have an original data collection effort to obtain measures some of the indicators for PO 4.3 on an annual basis. Otherwise, the SO working group was able to identify indicators for which data will be available.

In order to have a fully developed, feasible program measurement plan, the following steps still need to be accomplished.

a. The SO working group needs to review the indicator under PO 4.2 on *percentage of targeted health personnel trained in primary health care interventions*. The Ministry of Health and the Mission's projects keep data on number of trainees rather than individuals and since an individual might attend more than one training course, the number of trainees is not the same as the number of individuals who receive training. If the latter cannot be obtained in a cost-efficient manner, the indicator should be changed. The working group had discussed using *the number of trainees completing courses/seminars in primary health care* as the indicator. Information related to coverage and proportion of health personnel trained in key areas could be obtained through special studies or evaluations.

b. There should be further discussions with INEI to confirm that this is a viable method for collecting information for indicators under PO 4.2. The Mission should ensure that the sampling framework used will permit the SO working group to obtain data on the geographic areas covered by its program. In addition, there should be a discussion about the sampling strategy and respondents. The indicators relate to children under 24 months old and women of child bearing age. To obtain reliable data the respondents should be women. The Mission might consider hiring an expert to review with INEI its sampling frame vis a vis USAID/Peru's data needs under PO 4.3.

c. Meetings should be held with the relevant people in partnership organization which will be providing the indicator data to further develop the data collection, analysis and reporting plan. Where data will be aggregated from more than one source, the working group needs to ensure that a standardized method for collection and computation. Also, the organizations need to understand the reason why the Agency has adopted a program

performance measurement approach, how the Mission intends to use the data, and the need for quality and timely data. They should also be encouraged to use the data for management decisions.

E. Strategic Objective 5: Improved Environmental and Natural Resource Management

1. Strategic Framework - An Overview

In this section, the SO Working Group proposes and elaborates a new strategic objective in the area of environmental and natural resources management. The new SO 5 reflects the Mission's efforts to create a strategic framework which captures the results of longstanding USAID support to environmental and natural resource management (ENRM) in Peru and to direct the course of future programming. The proposed framework is based on the recently completed foundation study, "Environmental and Natural Resource Management in Peru: A Strategy for USAID Assistance." In its 1995-1996 Action Plan, the Mission had submitted four strategic objectives for LAC Bureau review, including one which specifically addressed the environment. The plan's reviewers withheld approval of the environmental SO pending the analytical and priority setting foundation that the new strategy now supplies.

Both the November 1994 and the March 1995 PRISM assistance to the Mission were coordinated and are consistent with the preliminary and final conclusions of the environmental strategy setting exercise. Future programming under the strategy will undoubtedly introduce the need for further refinement; nonetheless, the new SO 5 framework and indicators proposed below are comprehensive and up to date as per the 1996-1997 Action Plan requirements. Moreover, the working group intended that the framework be sufficiently flexible to accommodate new project designs as well as the inevitable vicissitudes in funding and programming as may occur over the five to eight year life of the strategic objective.

The working group began in November by disaggregating ENRM results from the second strategic objective included in the final version of last year's Action Plan, *Broader-based sustainable economic growth*, an economic growth strategic objective that included not only ENRM but also food security activities. A review by Mission staff and the PRISM team determined that combining impacts from environmental and natural resource management activities with impacts from food security and economic growth activities resulted in an SO that was unfocussed, not objectively verifiable and well beyond the Mission's manageable interest. Consistent with this assessment, Mission staff and the PRISM team agreed that protecting the environment comprises a discrete and important development challenge to the country and to USAID/Peru. For these reasons, as well as those outlined below, the Mission environmental working group developed a distinct environmental strategic objective.

The SO working group re-examined its earlier SO proposal in the light of the Mission's new environmental strategy paper and concluded that several recommendations from the draft strategy document were especially pertinent to a revised environmental strategic objective framework: 1) a core focus on the policy environment -- laws, norms, and regulations, 2) a balance between green and brown program activities, 3) complementarity and synergy across the policy, green, and brown areas, and 4) a concern that urban environmental issues -- potable water, wastewater, and solid waste in peri-urban communities -- be captured in the

overall Mission program. While these recommendations were extremely helpful to the process of developing an ENRM SO, they also highlight a major challenge confronting the Mission's environmental program -- how to make a significant strategic impact in multiple environment/natural resources subsectors with only limited human and financial resources.

The working group recommends supporting this approach by establishing a unifying emphasis on cross-cutting issues of policy and regulatory change complemented by carefully developed demonstration or pilot field activities in each of the key areas of ENRM concern to the Mission:
The problems to be addressed are:

- health hazards due especially to poor solid and hazardous waste processing in peri-urban areas;
- pollution resulting from inefficient production practices in selected industries such as fishing and mining;
- declining productive potential due to poor maintenance of soil and vegetative cover in fragile ecosystems; and
- loss and degradation of natural habitats for biological diversity especially in the Amazonian lowlands, wetlands and coastal zones.

As adjusted, SO 5 thus focusses on 1) broader involvement in creating a favorable regulatory environment for ENRM, 2) using pilot interventions to demonstrate the positive economic benefits to pollution prevention and solid waste processing in carefully targeted sub-sectors and locations, 3) supporting biodiversity conservation through protected area strengthening and functionally linked compatible development activities, and 4) maintaining a productive resource base in fragile ecosystems. The resulting framework anticipates a new ENRM project design, likely Environmental Initiative for the Americas funding, and subsequent and as yet unformulated new starts.

The Mission environmental strategy rightly points to the Mission's historic accomplishments in the sustainable agriculture, protected areas, and forestry areas, and recommends building on that experience. The SO 2 and 5 Working Groups advocate that this be closely integrated with its strategy for increasing employment and income of the poor. While tied to economic growth, "green" sustainable agriculture programs in LAC missions generally fall under environmental SOs. New guidance, as imparted for example through the "Making Markets Work .." paper, proposes that Missions "build in responsible natural resource management as part and parcel of all rural growth programs." The shift underscores the synergy that exists between these strategic objectives.

The environmental and economic SO working groups place considerable emphasis on intersectoral linkages in the formulation of the strategic objectives in these two areas. The assumption is that improved natural resource management is undertaken in the interest of promoting increased economic well-being among the rural poor of the Sierra. This change, by relying on economic and market forces, helps underscore the link between adopting

improved NRM practices and increases in income. Some of the anticipated improvements in the policy, regulatory and normative context for ENRM, that are now counted under the restated SO 5, "*Improved environmental and natural resource management*" will have a positive effect on NRM activities supporting achievement of the economic SO. Policy related reporting and performance measurement, however, will remain under the environmental SO. This avoids double counting and makes the linkage explicit within the SO objective tree. (*The complete strategic objective framework is presented in Figure 7 on the following page*).

The following projects support the achievement of the SO and POs currently included in the proposed framework for SO 5.

- Employment and Natural Resources Sustainability, ENRS (the principal project support to biodiversity conservation)
- FADEMAD (pioneering participatory approaches to rural zoning for conservation purposes)
- Integrated Pest Management (moving a promising environmentally sustainable agriculture technology from research to the farmer)
- PL-480 Title III (policy dialogue and support for some environmental development activity)
- PAPI (policy studies which have made some environmental contribution with potential to expand such efforts)
- PL 480 Title II collaborator projects such as the CARE Altura project

New projects which will contribute to the results in the strategic objective framework are:

- Sustainable Environmental and Natural Resources Management (currently envisioned as combining policy development, awareness, and advocacy at the central level with selected field activities), and,
- Alternative Development (better land use management, cleaner water in former coca producing regions, and integrated watershed management).

Other anticipated support includes:

- Centrally funded projects – PiP, BSP, EIA,
- Peru Environmental Trust fund,
- PL-480/Conservation International,
- Other Mission projects with key linkages such as MSP and participatory democracy (PARDEM) initiative, and,
- FY 97 and subsequent new starts.

FIGURE 7

STRATEGIC OBJECTIVE No.5
IMPROVED ENVIRONMENT AND NATURAL RESOURCE MANAGEMENT

PERFORMANCE INDICATORS:
- % of remaining natural forest under sustainable management systems
- Number of watersheds with appropriate management practices
- Number of people living in a cleaner environment
- % of men/women who believe that environmental protection and NRM is important

PROGRAM OUTCOME 5.1
Improved Regulatory Framework for Environment and Natural Resource Base

Indicators:

- CONAM effectiveness score
- Timely implementation of policy agenda
- # of civil society groups participating in ENRM policy processes

Supporting Projects:

SENREM
Centrally Funded Projects
Title III
PAPI
LGD
AD
PARDEM

PROGRAM OUTCOME 5.2
Improved Environmental Protection in Targeted Urban and Industrial Locations

Indicators:

- Number of pilot efforts implemented to reduce pollution
- % of households in targeted peri-urban areas regularly receiving waste management services
- Number of risk assessments undertaken to identify priority interventions

Supporting Projects:

SNREM
Centrally Funded Projects

PROGRAM OUTCOME 5.3
Increased Conservation of Natural Habitats

Indicators:

- # of selected protected areas implementing management plans
- Populations of key/indicator species in selected protected areas
- Number of models identifying alternative methods of productive livelihood programs

Supporting Projects:

ENRS
Centrally Funded Projects

PROGRAM OUTCOME 5.4
Increased Adoption of Sustainable Use Practices in Fragile Ecosystems

Indicators:

- # of hectares in selected areas of Sierra and Selva reforested
- # of hectares in selected areas under improved soil management
- # of farmers employing environmentally sound pest control techniques

Supporting Projects:

IPM
Title II
AD
MSP
LGD

Program Outcome 5.1, *Improved regulatory framework for the environment and natural resource base*, is designed to set the stage for better management and enforcement procedures by creating more enabling conditions for pollution prevention and mitigation, biodiversity conservation, and renewable natural resource issues, in effect making it easier to increase incentives for adopting improved practices. As a distinct program outcome, the improved framework is designed to affect conditions throughout the country and thus contributes directly to achieving the overall SO. PO 5.1 results focus on those issues that most concern field level activities and hence will have a positive synergistic effect on the achievement of Program Outcomes 5.2 and 5.3. Achievement of PO 5.1 is currently supported by several of the Mission's ongoing activities. These include natural resource policy dialogue associated with PL 480 Title III funds, FADEMAD for protected areas and biodiversity conservation, and PAPI and MSP for sectoral concerns in a broader macroeconomic context. It is envisioned that a substantial portion of the funds for the new project will be directed to regulatory issues and will serve to complement and enhance existing efforts.

The environmental strategy team called attention to the need for Peru to clean up its urban and industrial pollution. While the environmental SO working group accepted that urban and industrial pollution are critical problems in Peru, it also recognized that the Mission does not have the resources to permit a comprehensive involvement in the brown arena. Thus, the SO working group recommends *Improved environmental protection in targeted urban and industrial sectors* as Program Outcome 5.2. The working group proposes that the combination of an improved regulatory framework (PO 5.1) with selected pilot interventions could either help leverage other donor funds and/or serve as a catalyst to begin mobilizing industry in a self-sustaining process. Optimally, a targeted industry will coincide with or be located in proximity to an area where the Mission is supporting natural resource management activities under PO 5.3. The intent is to encourage mechanisms for industrial self-regulation by making economically viable alternatives to current practices available through awareness raising, capacity building (industrial societies, universities and private sector, enforcement), and technology transfer.

Although the Mission does not currently have any projects which directly support PO 5.2, new efforts in FY 95 will address this area. Additional potential sources of support for such a program include centrally-funded projects and the development of partnerships with U.S. firms. For example, Enterprise for the Americas Institute funds might facilitate joint efforts with Global Bureau projects such as EPAT.

After deliberation, the working group determined that Mission efforts to conserve biodiversity through strengthened protected areas merited a distinct program outcome. Conservation of natural habitats is construed more broadly than an exclusive focus on the Amazon forest. While the latter is still important, the new PO also concerns alpine environments, lakes, wetlands and coastal/marine zones. Given existing projects focusing on the protected areas of Pacaya-Samaria and Tambopata-Candamo, and other likely sites under future projects, revision of the strategic framework to include this distinct PO was deemed

appropriate, given continued support by Mission efforts in the areas of policy, conservation finance, enforcement and economic incentives to local populations (e.g., through eco-tourism revenues). The program's biodiversity conservation component could be substantially expanded if additional resources become available.

Program Outcome 5.4, *Increased adoption of sustainable use practices in fragile ecosystems*, captures the Mission's intended results of field activities in watershed management, soil and water conservation, integrated pest management (IPM), forestry and agroforestry. The current program suggests that USAID/Peru would work with poorer resource users in the Sierra areas, as well as with Selva settlers who live either near protected areas or in coca producing areas and are making a transition to more economically diversified environmentally sustainable production systems. The approach combines technology, empowerment, increased incentives, and better support institutions to encourage resource users to alter their behavior toward more environmentally sound practices. Increased local participation underscores the concern that improved practices spread beyond the immediate beneficiaries and areas of USAID/Peru intervention.

2. Critical Assumptions

Just as the second PRISM visit was drawing toward conclusion, the Mission learned that another donor, the Inter-American Development Bank (IDB), had decided to substantially increase its commitment to strengthening Peru's projected central authority for the environment, CONAM. The IDB will also provide support to the environmental units in several technical ministries (agriculture, fisheries, mining, and energy) and work on communication and information systems linking regional technical units with the central CONAM. An initial $1.8 million dollar grant will be used to help get CONAM up and running and to assist the new CONAM to prepare a national environmental plan. Based on the assumption that IDB will go ahead with this and a follow-on $25-30 million loan, the Environmental Sector Working Group decided to scale back direct support to CONAM, and concentrate its efforts on involving citizen's groups in the formulation, review, and implementation of ENRM policies. In the absence of this IDB funding, it will be difficult for USAID to develop the level of development results necessary for PO 5.1 to help leverage the specific field results anticipated in pilot or demonstration activities under POs 5.2, 5.3, and 5.4.

Another critical assumption is that local populations will be increasingly empowered to control and manage resources and to participate in the benefits of improved management. Related to this is the hypothesis that income generation and biological diversity conservation can be compatible. The Mission supports development of a number of different models designed to increase income and employment of populations surrounding the protected forests of the Pacaya-Samiria Reserve. For the strategy to be successful, activities will need to provide benefits to both the population and to the habitats in question. The current set of activities constitutes what amounts to a test of the integrated conservation and development model.

3. Modifications to the 1995-1996 Action Plan Strategic Framework

Strategic Objective Level: Improved Environmental and Natural Resource Management

This section relates the newly proposed environmental SO to its antecedent, the environmental strategic objective framework presented in the 1995-96 Action Plan. The previous strategic objective was defined as "Improved preservation and sustainable use of the natural resource base." The proposed strategic objective has been restated as *Improved environmental and natural resource management*. The SO has been changed to:

> drop the claim of preservation which would be difficult to define, much less achieve in a five to eight year period and which embodies a static connotation (often associated with small scientific reserves and *ex situ* conservation efforts, although "protection" probably would have been the more appropriate term); and
> include provision for new program results in the urban industrial environment. The reference to "environmental management" is designed to capture this intent.

A major modification involves the initiation of Mission strategic interest in the brown, urban/industrial, environmental area.

Program Outcome 5.1: Improved Regulatory Framework for the Environment and Natural Resource Base

The only change from the first program outcome presented in the 1995-96 Action Plan was to delete "improved policies". The proposed articulation of Program Outcome 5.1 is meant to underscore its focus on the *outcome* of policy reform efforts, i.e., an improved regulatory environment for both sustainable use of renewable natural resources and for better protecting the quality of the environment. The term "framework" was retained (*in lieu* of "environment") to avoid potential confusion from juxtaposing the biophysical and institutional connotations of the term environment. Conceptually, this comprehensive condition level outcome is meant to include actions that: (1) establish improved policies, norms and regulations; (2) strengthen relevant GOP institutions (e.g. policy planning and analysis capacity in environmental units in technical ministries, CONAM, the new environmental authority and the legislative branch); and, (3) increase public awareness and participation in policy discourse (hearings, advocacy, lobbying, press exposure, public-NGO partnerships, etc.).

Program Outcome 5.2: Improved Environmental Protection in Targeted Urban and Industrial Locations

This program outcome was added to direct program actions to respond to the growing recognition that urban and industrial pollution seriously threatens Peru's sustainable development. Program Outcome 5.2 directly represents the working group's response to the emphasis that the environmental strategy team has placed on industrial pollution. Potential targeted industries include mining, fisheries, and solid waste disposal in peri-urban environments. The program will emphasize clean technologies and pollution prevention, reuse, and recycling over cleanup and mitigation (end-of-pipe technologies). The PO will also cover Mission activities to improve the environmental quality of peri-urban settlements, many of which are located on former solid/hazardous waste sites.

Program Outcome 5.3: Increased Conservation of Natural Habitats

This is a new program outcome and reflects the SO working group's decision that the package of results expected from protecting and sustaining natural habitats are sufficiently different than those anticipated under PO 5.4 to merit their disaggregation. Both may involve sustainable use of natural resources but the former transforms natural ecosystems, while the latter seeks to reduce impacts upon them. Sustainable economic uses under PO 5.3 are more of a means for protection than a way to increase incomes and employment. Achievement of the new PO is supported by activities focused on:

- improved protected area management systems,
- local implementation of enabling policies,
- increased local support through compatible alternative livelihood programs, and
- strengthened NGO and public sector partnerships.

Program Outcome 5.4: Increased Adoption of Sustainable Use Practices in Fragile Ecosystems

The environmental SO working group felt that the program outcome presented in last year's Action Plan, " Improved resource management," was essentially a restatement of the strategic objective. Therefore, the PO was modified to state *Increased adoption of improved natural resource management practices*. By drawing attention to program actions that affect rates of adoption of improved practices, the new phrasing better differentiates levels of causality in the overall strategic framework. Achievement of Program Outcome 5.4 is supported by activities focused on:

- development and refinement of sustainable production and conservation technologies,

- implementation of policies locally to increase incentive structures for conservation,
- stabilization of boundaries in targeted reserves,
- strengthened NGO and public sector partnerships, and
- increased local participation in resource use decisions.

Note: An earlier PO was dropped. The 1995-1996 Action Plan contained a program outcome which read "Strengthened institutions and public awareness on environment and natural resource management." The SO working group pointed to the composite nature of this outcome. It was agreed that institutional strengthening contributed to higher order outcomes under each of the other POs. Similarly, in the absence of an explicit major focus on environmental education, "awareness" is a lower level result that supports achievement of the program outcomes. The overall strategy anticipates increased awareness at the strategic or national level (much coming successful demonstration projects and not awareness campaigns *per se*), hence level of public awareness has been posited as a proxy for the overall SO.

4. Performance Indicators

The indicators proposed to measure progress and achievements are discussed below. The proposed performance measurement and reporting plan is presented in Annex 6.

Strategic Objective Level: Improved Environmental and Natural Resource Management

The performance indicators at this level represent a revision and expansion of the indicators proposed in the 1995-1996 Action Plan submission.

The earlier AP listed these indicators:

- Reduction in deforestation rate in Amazonian tropical forest areas under protection,
- Increased number of watersheds with appropriate management practices, and
- Reduction of chemical pesticide use in agriculture,

The revised indicators at the SO level are:

- Percentage of remaining natural forest under sustainable management systems,
- Number of watersheds with appropriate management practices,
- Number of people living in a cleaner environment, and,
- Proportion of people (male/female) who believe that environmental protection and NRM is important.

Program Outcome 5.1: Improved Regulatory Framework for the Environment and Natural Resource Base

The earlier AP listed the following:

- National Environmental Plan Established, and
- Key legislation related to environment and natural resources enacted.

Under a former PO (*Strengthened institutions and public awareness on environment and natural resource management*), three indicators are at least partially applicable to the broader interpretation now being given to PO 5.1:

- Environmental authority operating,
- Number of environmental NGOs strengthened, and
- Percentage of people who believe that environmental protection and natural resource management is important.

The Mission continues to refine this indicator set based on the evolving definition of its role vis-a-vis the GOP and other donors. The following indicators are suggested:

- CONAM effectiveness for selected functions (score),
- Timely implementation of policy agenda (score), and
- Number of civil society groups participating in ENRM policy process (increased NGO participation).

These formal indicators of an improved regulatory framework will be supplemented by detailed qualitative reviews to determine the extent to which new regulations are widely adopted to resolve ENRM constraints.

Program Outcome 5.2: Improved Environmental Protection in Targeted Urban and Industrial Locations

Urban and industrial issues represent a new area of strategic intervention for the Mission. Since the Mission has just decided to enter this area and is preparing proposals to initiate activities to achieve this outcome, the following indicators are more provisional than for the established SOs and POs.

- Number of pilot efforts undertaken to reduce pollution.
- Percentage of households in targeted peri-urban areas regularly receiving waste management services.
- Number of risk assessments undertaken to identify priority interventions.

The first indicator will count the number of demonstration activities that show favorable cost incentives for adoption of clean industrial processes. It is important to note that the Mission does not intend to cover the country or all polluting industries in the 3-5 year period but to demonstrate to industry, government, and Peruvian citizens that improvements in the environment can be compatible with economic growth. The second indicator is expected to document that improved social service programs for urban waste disposal and processing are sufficiently desirable and cost-effective to be able to expand over strategy period. The final indicator will document that the Mission has been able to facilitate a test of a novel approach to prioritizing areas of environmental intervention and thereby infusing a measure of "ecorealism" into the overall agenda.

Program Outcome 5.3: Increased Conservation of Natural Habitats

The 1995-96 Action Plan contained *Improved natural resource management* as a Program Outcome, but it did not include PO level indicators relevant to conserving natural habitats. Those proposed by the SO working group are:

- Number of protected areas implementing management plans,
- Populations of key/indicator species in selected protected areas, and,
- Number of studies carried out identifying alternative methods of productive livelihood programs.

The first of these indicators captures the comprehensive progress in putting into place modern management structures and procedures (including sustainable institutions and mechanisms of conservation finance) into the protected area program. The second indicator will document whether such plans are leading toward positive measures of conservation, at least in selected areas. The third indicator recognizes explicitly that biodiversity conservation programs depend on controlling pressures outside the protected area boundaries. The idea of proactively linking conservation and development is being tested in USAID supported programs. In the short term, this testing and systematic evaluation of a range of activities represents a first step in managing for results (the results should indicate which income producing activities reduce destructive encroachment and/or engender support for conservation management).

Program Outcome 5.4: Increased Adoption of Sustainable Use Practices in Fragile Ecosystems

The 1995-96 Action Plan listed the following:

- Selected areas of Sierra under soil conservation practices,
- Number of potato farmers using IPM in selected areas, and,
- Increased levels of agricultural productivity in selected areas from improved management.

The indicator set has been modified slightly to the following:

- Number of hectares of selected areas reforested,
- Number of hectares under improved soil management, and,
- Number of farmers employing environmentally sound pest control techniques.

The measure of productivity included last year as an indicator was transferred to SO 2 where it more appropriately captures the contribution to increasing incomes and employment. The indicator measuring soil conservation was modified to drop the geographic reference to the Sierra, thus capturing the outcomes from the Alternative Development Project in the non-Sierra areas.

5. Monitoring and Evaluation Issues and Next Steps

a. The SO working group should refine and revise some of the performance indicators and the monitoring plan for the new SO 5. A few of the indicators are low level process measures, such as "number of studies" and "number of assessments". These should be revised to measure the outcomes expected from such actions. Only when the content and thrust of the program is fully set can the SO working group continue the detailed work on results' measures and performance measurement plans.

The logical next step in the strategic planning process is to further sort the many desirable results from the most critical and achievable, taking into account the level of USAID resources, in order to have a manageable and focussed strategy. USAID/Peru cannot and should not be expected to tackle the wide range of issues recommended as potential areas of intervention by the environmental strategy document. That document casts a wide net toward each of the environment and natural resource subject areas: energy, industrial environment, urban environment, forest, sustainable agriculture, biodiversity, and coastal and marine issues.

To effectively develop the final strategic framework and accompanying indicators as a management tool, the scale and focus of the program must be, if not fully articulated, more precisely defined than it is at present. For example, a policy matrix to assess progress in achieving the ENRM policy agenda has been suggested, but specific policies have not been determined and prioritized. Other indicators will require further elaboration. For example, one SO indicator measures remaining forest under management systems. Detailed GIS work will need to be carried out to obtain baseline and trend information to meaningfully set targets and measure progress. Another SO indicator, counting watersheds, also needs greater precision: it is not clear if major watersheds or local community sub-watersheds are being counted. In PO5.4 the first two indicators refer to selected areas. These will need to be defined and indicators measuring percent coverage may then be more meaningful.

b. Related to (a) above, the Mission should insure compatibility between project/activity monitoring and evaluation systems and the overall SO performance

monitoring and reporting systems. In the design of the new Sustainable Environment and Natural Resources Management Project, attention must be given to the results articulated in SO 5, and activity level monitoring and evaluation linked with the strategic framework. Steps must be taken to align the proposed new environmental project in terms of the strategic framework presented above. Also, the Employment and Natural Resource Sustainability (ENRS) project logframe should be revised to be compatible with the new ENRM strategic plan. The PRISM team reviewed the proposed logframe, per its Scope of Work, and suggested appropriate considerations.

c. If all four POs are achieved, will this result in contributing substantially to achievement of the SO? What critical assumptions are implied for these linkages to be valid? More than rhetorical, this question anticipates the manner in which results may be managed for and reported upon under reengineering. It may make sense to disaggregate the SO into several results packages. The POs tend to be somewhat additive, i.e. urban/industrial + nrm + biodiversity with only regulatory framework cutting across POs + assumptions = SO5, improved ENRM.

At present there is little in the SO (nor for that matter in the supporting POs) that indicates any limitation in geographic range. To what degree does the Mission anticipate national level impact and to what degree do the SO and POs imply a restriction to more narrowly prescribed regions, biomes, target populations, etc.? The green-brown linkages pointed to in the strategy and reflected in the program could be more explicitly reflected in the performance monitoring plan. The Mission will need to rely on presentations in the narrative section of Action Plans to show how the program constituents lead to something larger.

d. Would Program Outcome 5.1, *Improved regulatory framework for the environment and natural resource base*, lead to the SO or is there a higher order intermediate step which the Mission believes can be reached within a 2-5 year time period? Discussions within the SO working group indicated a likely focus on environmental advocacy, public participation in the policy process and greater general awareness to support environmental issues. Does the current PO adequately reflect this focus, given the likely IDB support on the government side?

e. Program Outcome 5.2, *Improved environmental quality in targeted urban and industrial locations* represents a new commitment by the Mission to a strong program in environmental management that is likely to require substantial time and resource allocations. Beyond the present EIA proposals, is the Mission prepared to expand its program into this area? Can it do so while retaining sustainable cultivation systems in the highlands and park and protected area foci?

f. Under Program Outcome 5.4, *Increased adoption of sustainable use practices*, there are a wide range of categories and methods available to improve resource management. Which subsectors does it make sense for the Mission to be involved in, i.e. range/pasture management, highland terraced systems, agroforestry, natural forest management,

reforestation, coastal fisheries management? The principle indicator for capturing results reports on the number of watersheds under improved management. Has the past history of USAID involvement pointed to a collection or assemblage of options that might be drawn upon locally through a village land use or integrated watershed approach? What is the best Mission vehicle(s) to create a model that might be emulated and built upon by other donors and the government (Title II Collaborators, AD, SENREM)? Again partnerships and leveraging of USAID's expertise would seem necessary to achieve systemic effects.

II. GENERAL COMMENTS ON STRATEGIC PLANNING AND PERFORMANCE MEASUREMENT

1. The Mission has made commendable progress in working with its development partners to focus on results and measuring these. Time should be spent in sorting out those indicators for which reliable, objectively verifiable data are required, from those for which less rigorous methods need to be employed. The former type of data are needed for the program performance measurement system, while the latter may serve as complementary information for management decisions. Some SO frameworks have over 16 indicators. It would behoove the SO working groups to narrow the set of indicators to those which are the most significant measures of the results they are intended to measure.

The SO working groups should review with their respective partners the project monitoring systems. These should be revised to place priority on data which serve as direct and intermediate level indicators of progress toward achievement of the POs and SOs.

These revisions should be done after the Agency issues its new directives for strategic planning and program performance measurement and evaluation so that the revisions reflect the new directives.

2. The Mission should continue to advance new management approaches to achieve results stated in their SOs, POs and cross-sectoral themes. Discussions should be held to further explore synergies and ways these could be enhanced. Development partners responsible for implementing USAID supported activities should participate in the discussions.

3. GIS' importance to examining spatial interrelationships between SOs and potential use as a management tool in exploring and portraying cross-sectoral contributions in achieving results packages. The Mission should consider informing itself about how other institutions including USAID missions are using GIS in performance monitoring (USAID/Senegal offers an interesting case for example).

ANNEX 1

STRATEGIC OBJECTIVE WORKING GROUP MEMBERS AND ADDITIONAL PARTICIPANTS

SO # 1: Increased Participation of Citizens in Democratic Processes

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Edith Houston, ODIT
Veronica Ferrero, ODIT
Alfredo Larrabure, ODIT
Grimaldo Guippttons, ODIT
Cesar Fonseca, ODIT
Merritt Broady, ORD

SO # 2: Increased Incomes and Employment of the Poor

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Alan Davis, ORD
Bob Wilson, ORD
Eduardo Albareda, ORD
Ena Garland, ECON
Arturo Briceño, ECON
Miriam Choy, PDP
Jeff Bakken, PDP

SO # 3: Improved Food Security of the Extremely Poor

Harry Wing, ORD
Alan Davis, ORD
Bob Wilson, ORD
George Baldino, ORD
Miriam Choy, PDP

SO # 4: Improved Health of High-risk Populations

Paul Cohn, HPN
Susan Brems, HPN
Luis Seminario, HPN
Tom Moore, HPN
Jenny Vernooy, HPN
Gerardo Arabe, HPN
Maria Angelica Borneck, HPN
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SO # 5: Improved Environmental and Natural Resource Management

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Eric Fajer, LAC/DR/E
Mike Hanrahan, Environmental Strategy Team
Mary Quinlan, Environmental Strategy Team

ANNEX 2

TABLE 1: PERFORMANCE MEASUREMENT PLAN FOR STRATEGIC OBJECTIVE 1

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION	ANALYSIS & REPORTING	
				SCHEDULE/ FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	RESPONSIBLE OFFICE
STRATEGIC OBJECTIVE 1: Increased Participation of Citizens in Democratic Processes								
1. Freedom House Index Rating	**Definition:** Annual composite index (1) **Unit:** Change in rating (better, same, worse)	Freedom House Publication	Obtain from Freedom House	Annually Baseline 1992 Overall Status Partly Free State Targets Ratings of "better" if SO assumptions hold	ODIT	Yes	Annually/April	ODIT
COMMENTS/NOTES. (1) This is a proxy measure. Freedom House concentrates on measures of openness of the country's political system to participation oversight								

63

TABLE 2: PERFORMANCE MEASUREMENT PLAN FOR PROGRAM OUTCOME 1.1

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE/ FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	RESPONSIBLE OFFICE
PROGRAM OUTCOME 1.1: Strengthened Respect for Human Rights								
1.1.1 Change in State Department Human Rights report assessment	**Definition:** Overall assessment of respect for human rights **Unit:** change (better, same, worse)	State Department Human Rights report	Obtain from Embassy	Annually Baseline 1994	ODIT/JUST	Yes	Annually/April	ODIT
1.1.2 Proportion of serious human rights violation allegations in total caseloads of implementing NGOs	**Definition:** Number of cases involving due process violations and threat to the individual's physical integrity divided by total number of caseloads of implementing NGOs **Unit:** %	Implementing NGOs	CRS obtain and aggregate. Caseload data will provide figures distinguishing between men and women cases, adults and minors	Annually Baseline 1995 Caseload in first year of operations	ODIT/JUST	Yes	Semi Annual	ODIT
1.1.3 Proportion of targeted human rights caseloads, a) completed; b) held up for due process reasons	**Definition:** Universe is total number of identified human rights cases in all currently targeted types (1) **Unit:** %	Caseloads of implementing NGOs	Obtain from Catholic Relief Service (CRS) or NGOs and aggregate	Annually Baseline 1995	ODIT/JUST	Yes	Semi Annual	ODIT
1.1.4 % of high risk citizens' (m/f) knowledgeable about fundamental human rights	**Definition:** High risk is the population that has suffered the most human rights violations **Unit:** % (m/f)	Opinion poll of high risk populations	Obtain from contracted polling agency	Every two years Baseline 1995	ODIT SO working group	No	Bi Annual	ODIT/ OLGAD

COMMENTS/NOTES (1) The NGOs will start processing 100% of the identified human rights cases of targeted types and will work through them, type by type.

TABLE 3: PERFORMANCE MEASUREMENT PLAN FOR PROGRAM OUTCOME 1.2

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE/ FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	RESPONSIBLE OFFICE
PROGRAM OUTCOME 1.2: Improved Responsiveness of Local Government to People's Needs								
1.2.1 Proportion of targeted local governments that have improved basic services	**Definition:** LGD targeted local governments (*), basic services (potable water, public markets, health and education facilities) **Unit:** %	Local Government and LGD project records	Obtain from local government and project records	Semi Annual Baseline: 1995	OLGAD	Yes	Semi Annual	OLGAD
1.2.2 Proportion of targeted local governments with public town meetings and budget hearings	**Definition:** Calendar of meetings of local governments targeted by the LGD project (1) **Unit:** %	Records of targeted local governments	Obtain from local governments	Annually Baseline: 1995	OLGAD	Yes	Annual/April	OLGAD
1.2.3 Proportion of targeted local governments that are implementing projects based on constituents' expressed needs	**Definition:** Number of projects that LGD targeted local governments implement, number of community developed projects included (1) **Unit:** %	Records of targeted local governments and LGD project records	Obtain from local governments	Annually Baseline: 1995	OLGAD	Yes	Annual/April	OLGAD

COMMENTS/NOTES: (*) Current targeted areas are: 27 provinces in the departments of Junin, Ayacucho, Loreto, Apurimac, Ancash, San Martin, Ucayali (1) Transparency depends on citizen access to government decision processes in the context of shared financial information

TABLE 4: PERFORMANCE MEASUREMENT PLAN FOR PROGRAM OUTCOME 1.3

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE/ FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	RESPONSIBLE OFFICE
PROGRAM OUTCOME 1.3: Increased Participation in Public Decision Making								
1.3 1 Number of Formal Mechanisms for Communication Between Citizens and Government in Targeted Areas	**Definition:** A formal mechanism may be part of a law or a government agency's written procedures, it can be predictably invoked by citizen groups (1) **Unit:** #	Legislation or government procedures	LGD and PARDEM/GRADE collect documentation	Annually Baseline 1995	OLGAD LGD ODIT PARDEM	No	Annually/ April	ODIT/OLGAD
1.3 2 # of public petitions under new constitutional mechanism that result in the introduction of Congressional legislation	**Definition:** Valid petitions received by Congress (2) **Unit:** #	Congress	Obtain from GRADE/PARDEM Project	Annually Baseline 1994	ODIT/ PARDEM	No	Annually/ April	ODIT
1 3 3 # of groups (targets) that carry out one or more activity: to encourage deliberation of public policy issues	**Definition:** Target groups associated with democracy activities (3) **Unit:** #	Project records from LGD, PARDEM & NECI	Obtain from project records and aggregate. Activity definitions will be refined if necessary	Annually Baseline 1994	ODIT/ OLGAD	No	Annually/ April	ODIT
1 3 4 # of groups (targets) that carry out one or more activity. to monitor government activities	**Definition:** Target groups associated with democracy activities (3) **Unit:** #	Project records from LGD, PARDEM & NECI	Obtain from project records and aggregate. Activity definitions will be refined if necessary	Annually Baseline 1994	ODIT/OLGAD	No	Annually/ April	ODIT/OLGAD

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE/ FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	RESPONSIBLE OFFICE
1.3.5 # of groups (targets) that carry out one or more activity: - to educate citizens about channels for participation in public decision making	Definition: Target groups associated with democracy activities (3) Unit: #	Project records from LGD, PARDEM & NECI	Obtain from project records and aggregate. Activity definitions will be refined if necessary	Annually Baseline 1994	OLGAD/LGD ODIT/SDAF PARDEM	No	Annually/ April	ODIT/OLGAD
1.3.6 Proportion of local women organizations in targeted areas that participate in community decision making processes	Definition: Number of women's organizations in LGD & SDAF targeted areas participating in community decision making activities among the targeted total number of organizations that support community participation activities Unit: %	Project records from LGD & SDAF	Obtain from LGD & SDAF and aggregate	Annually Baseline 1995	ODIT/OLGAD	No	Annually/ April	ODIT/OLGAD
1.3.7: # of articles/programs on participatory democracy carried out in widely read/received media	Definition: GRADE activity number of articles per unit of time published/disseminated by selected key media Unit: #	GRADE Project will keep records	Obtain from GRADE data will include the average number of people reached by the selected media	Monthly Baseline Year before GRADE begins activity	ODIT/ PARDEM	No	Semi Annual	ODIT

COMMENTS/NOTES:
(1) The LGD project targets local governments. GRADE through the PARDEM project will identify a series of target areas that need expansion and definition of formal communication mechanisms
(2) This is a new mechanism, GRADE's work will be one source of support for citizen groups seeking to use it
(3) It may be possible to define the total number of groups in each category and calculate the percentage that are active in any one year but this would prevent aggregation. Participation under LGD is measured in indicator 1.3.7

TABLE 5: PERFORMANCE MEASUREMENT PLAN FOR PROGRAM OUTCOME 1.4

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE/ FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	RESPONSIBLE OFFICE
PROGRAM OUTCOME 1.4: Improved Electoral System								
1 4 1 Elections are certified "free and fair" by official observer groups	**Definition:** Observer groups may be different for national and local elections; observer groups will increasingly be national groups **Unit:** Yes/No	Observer group press releases or media	Obtain from observer groups or media	After national and local elections Baseline N/A	ODIT	No	After elections	ODIT
1 4 2 % of citizens with perception of "clean" elections	**Definition:** Random sample of citizens representative of national population for national elections (1) **Unit:** % (m/f)	Polling agency selected	Obtain from contracted polling agency	After national elections Baseline APOYO 1994 Survey	ODIT	No	After elections	ODIT
1 4 3 % valid ballots cast	**Definition:** Number of valid ballots (blanks not included) divided by total ballots casted **Unit:** %	JNE election results reporting	Obtain from JNE	After national and local elections Baseline 1990 elections	ODIT	Yes	After elections	ODIT
1 4 4 # of valid complaints about irregularities in electoral procedures	**Definition:** Formal complaints to JNE (3) **Unit:** #	JNE	Obtain from JNE	After elections Baseline 1995 elections	ODIT	No	After elections	ODIT

COMMENTS/NOTES

(1) This is one of the POs that required survey data both for measuring impact and for determining how much further effort is required

(2) The LGD Project will collect these data over time for its targeted areas; a comparison with other rural areas could be made using JNE data. The geographical breakdowns published by the JNE indicate which areas have the lowest number of valid ballots, i.e., where the need for voter education is greatest

(3) Valid complaints indicate the training of party poll watchers and polling officials in correct electoral procedures

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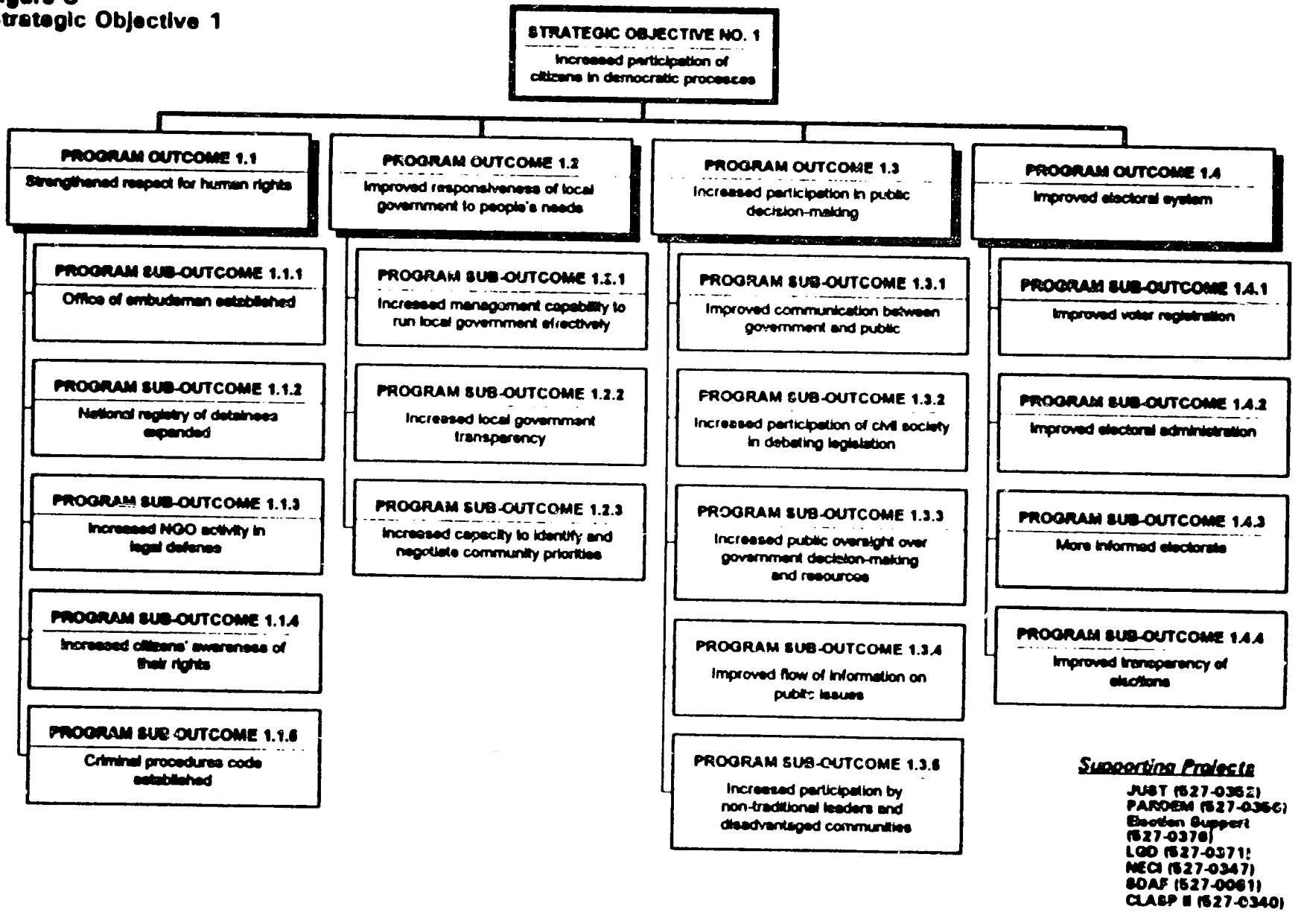
TABLE 1.2: MEASUREMENT PLAN FOR CRITICAL ASSUMPTIONS LINKING PROGRAM OUTCOMES TO STRATEGIC OBJECTIVE 1

ASSUMPTION INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE/ FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	RESPONSIBLE OFFICE
CRITICAL ASSUMPTION								
1	Definition Unit							
2	Definition Unit							
CRITICAL ASSUMPTION								
1	Definition Unit							
2	Definition Unit							
COMMENTS/ NOTES								

TABLE 3: MEASUREMENT PLAN FOR CRITICAL ASSUMPTIONS LINKING PROGRAM OUTCOMES TO STRATEGIC OBJECTIVE 1

ASSUMPTION INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE/ FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	RESPONSIBLE OFFICE
CRITICAL ASSUMPTION								
1	Definition Unit							
2	Definition Unit							
CRITICAL ASSUMPTION								
1	Definition Unit							
2.	Definition Unit							
COMMENTS/ NOTES								

Figure 8
Strategic Objective 1



ANNEX 3

TABLE 6: PERFORMANCE MEASUREMENT PLAN FOR STRATEGIC OBJECTIVE 2

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION	ANALYSIS & REPORTING	
				SCHEDULE/ FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	RESPONSIBLE OFFICE
STRATEGIC OBJECTIVE No. 2: Increased Incomes and Employment of the Poor								
1 Gross Domestic Product per capita	**Definition** GDP at current value divided by the total population in reference year **Unit** US $ per capita	Central Reserve Bank	GDP in US$ estimated at parity exchange rate	Every year April	PDP	Yes	Every year	PDP
2 Value of consumption of urban poor	**Definition** Proxy of income Expenditure level per year per capita of the lowest two quantiles (40%) of the urban population **Unit** US $ per capita	Cuanto S A Encuesta Nacional de Niveles de Vida ENNIV INEI ENAH	Household National Survey	Every three years/ June	PDP	Yes	Every three years	PDP
3 Value of consumption of rural poor	**Definition** Proxy of income Expenditure level per year per capita of the lowest two quantiles (40%) of the rural population **Unit** US $ per capita	Cuanto S A Encuesta Nacional de Niveles de Vida ENNIV ENAH	Household National survey	Every three years/ June	PDP	Yes	Every three years	PDP
4 Proportion of population (M/F) which is poor	**Definition** Number of people considered poor (*) among total population **Unit** %	Cuanto S A Encuesta Nacional de Niveles de Vida ENNIV	Household National Survey	Every three years/ June	PDP	Yes	Every three Years	PDP
5 Level of under employment (M/F)	**Definition** Percentage change in the proportion of economically active population under employed (**) by gender **Unit** %	INEI Encuesta Nacional de Hogares ENAH	Household National Survey	Every three years/ June	PDP	Yes	Every three years	PDP

Comments/notes (*) Poor defined as people whose consumption level is lower than the basic level of expenditures in food (2 100 K cal per capital and basic services (apparel, housing health education and transportation) as estimated by the World Bank in the year of the survey
(**) Under employed defined as people who are currently working but want to work more hours)

TABLE 7: PERFORMANCE MEASUREMENT PLAN FOR PROGRAM OUTCOME 2.1

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE/ FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	RESPONSIBLE OFFICE
PROGRAM OUTCOME 2.1: Improved Policy Environment for Broad Based Growth								
2.1.1 Social expenditures as percentage of GDP	**Definition**: Central Government expenditures in social sector (*) divided by the total value of Gross Domestic Product in nominal terms in reference year. **Unit: %**	Central Reserve Bank and Ministry of Economy and Finance	Official published statistics gathered by PAPI Project	Every year/May	PDP	Yes	Annually	PDP
2.1.2. Policy Matrix Score	**Definition**: Set of sectoral policy improvements **Unit: Index**	PAPI policy agenda, PL 480 policy benchmarks	SO working group evaluates progress according to established criteria	Every year/April	PDP/ORD	Yes	Annually	SO working group
2.1.3 Proportion of studies and technical assistance contributing to policy changes	**Definition**: Number of studies and technical assistance efforts contributing to regulations or policy change divided by total number of efforts **Unit: %**	PAPI records, PL 480 records	Interviews with recipients of assistance to determine impact	Every year/April	PDP/ORD	Yes	Semi Annual	SO working group

COMMENTS/NOTES: (*) Social sector include: Education, health, justice, housing, and Extreme Poverty programs

TABLE 8: PERFORMANCE MEASUREMENT PLAN FOR PROGRAM OUTCOME 2.2

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE/ FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	RESPONSIBLE OFFICE
PROGRAM OUTCOME 2.2: Increased Market Access								
2.2 1 Change in volume of targeted commodities sold	**Definition:** Production volume in reference year of targeted agricultural commodities (* *) in project areas **Unit:** Metric Tons (M T)	MSP, AD and PVO Support projects' records	Sampling of projects' participating producers and producer associations Total volume for each crop calculated	Every April	ORD/OLGAD	Yes	Annually	ORD/OLGAD
2.2 2 Value of targeted commodities sold	**Definition:** Total value of targeted commodities (*) sold either to local or foreign markets in reference year **Unit:** $ 000	MSP, AD and PVO Support projects' records	Sampling of projects' participating producers, microenterprises, and producer associations Total $ value for each product calculated	Every April	ORD/OLGAD	Yes	Annually	ORD/OLGAD
2 2 3 Number of new markets for targeted commodities	**Definition:** New markets refers to sales to new geographic locations by targeted commodities (*) **Unit:** Number	MSP, AD and PVO Support projects' records	Info on new markets will be collected by ADEX for MSP clients For AD and PVO Support, sampling of projects' participating clients to identify market outlets	Semi Annual/ October/ April	ORD/OLGAD	Yes	Semi Annual	ORD/OLGAD

COMMENTS/NOTES: (*) Target commodities are. (* *) Agricultural Onions, limes, garlic, beans coffee, grapes cacao mangoes, potatoes, shrimp, alpaca fiber, rice, corn and bananas. Non Agricultural targeted handicraft, shoes, and apparel

TABLE 9: PERFORMANCE MEASUREMENT PLAN FOR STRATEGIC OBJECTIVE 2.3

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	RESPONSIBLE OFFICE
PROGRAM OUTCOME 2.3: Increased Productivity of Microenterprises and Small Farms								
2.3.1 Average percentage change in yield per hectare of targeted crops	**Definition:** Agricultural targeted Commodities (**) **Unit: %**	ADEX and AD project records	Interviews with sample of producers of each targeted crop following a sample framework method	Annually/ April	ORD/MSP ORD/FFD OLGAD	Yes	Annual	ORD/ OLGAD
2.3.2 Average percentage change in volume of sales of targeted commodities per worker	**Definition:** Change in total production volume in reference year per/number of full time equivalents (FTE) for targeted agriculture product, averaged with the change in total sales per total number of FTE in microenterprise sector, with respect to the baseline. 224 day wages equivalent to one full person employed one year **Unit: %**	MSP and AD project records	Interviews with sample of producers of targeted commodities following a sample framework method for calculating average to be developed. FTE for agriculture sector equals 224 dayly wages	Annually/ April	ORD/MSP ORD/FFD OLGAD	Yes	Annual	ORD/ OLGAD
2.3.3 Number of women/men using project promoted improved practices	**Definition:** Improved practices refers to crop and production practices adopted **Unit: #**	MSP, PVO Support, CARE, AD records	MSP clients, AD farmers with non financial technical assistance, PACT NGOs clients	Semi Annual/ October/ April	ORD/MSP ORD/FFD OLGAD	Yes	Semi Annual	ORD/ OLGAD
2.3.4 Proportion of loans repaid on schedule (M/F)	**Definition:** Number of loans with good repayment record in reference year divided by total number of active loans in reference year. **Unit: %**	AD, PVO Support, NGOs reports MSP reports	Projects collect data and forward to MSP, PACT, AD	Semi annual October April	ORD OLGAD	Yes	Semi Annual	ORD/ OLGAD

COMMENTS/NOTES: (*) Target commodities are: (**) agricultural: Onions, lime, garlic, beans, coffee, cacao, mangoes, potatoes, shrimp, alpaca fiber, rice, corn, banana and cassava (***) Non Agricultural targeted: handcraft, shoes, and apparel

TABLE 10: PERFORMANCE MEASUREMENT PLAN FOR STRATEGIC OBJECTIVE 2.4

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULED FREQUENCY	RESPONSIBLE OFFICE		SCHEDULED BY REPORT	RESPONSIBLE OFFICE
PROGRAM OUTCOME 2.4: Increased Incentives for Licit Economic Activities in Targeted Coca Growing Areas								
2.4.1 Number of hectares devoted to licit crops in targeted areas	**Definition:** Targeted areas (*) are watersheds involved in activities under the Alternative Development Project **Unit:** ha.	Ministry of Agriculture Statistic Office Alternative Development (AD) Project Monitoring Unit (MU)	MOA agricultural sample surveys (sample of 25% of total farms) for targeted areas Baseline data from National Agrarian Census 1994	Annually/ April	OLGAD	Yes	Annually	OLGAD
2.4.2 Number of paid jobs in licit activities in target areas. (males/females)	**Definition:** Paid employees, full time equivalents Licit activities refers to those promoted by USAID projects **Unit:** #	ADEX, PACT, AD Records	Number of paid work days generated calculated into full time worker equivalents	Annually/ April	ORD/MSP Project OLGAD/AD Project	Yes	Annually	OLGAD
2.4.3 Proportion of households in target areas using basic services made available through USAID assistance	**Definition:** Basic services refers to potable water supply, schools and health services. Number of households with basic services among total households in target communities **Unit:** %	Alternative Development Project records	Sample survey conducted annually in participating communities use refers to two or more project provided services/infrastructure	Semi Annual April October	OLGAD/AD Project	Yes	Annually	OLGAD

COMMENTS/NOTES: (*) Coca growing target areas are Watersheds of Tocache and Uchiza in the Upper Huallaga Valley, Aguaytia, Ponaza, Biavo and Sisa in Central Huallaga, Pichis and Pachitea in Pichis Palcazú; and Apurimac River Valley

TABLE 11: MEASUREMENT PLAN FOR CRITICAL ASSUMPTIONS LINKING PROGRAM ACTIVITIES TO PO 2.4

ASSUMPTION INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULED FREQUENCY	RESPONSIBLE OFFICE		SCHEDULED BY REPORT	RESPONSIBLE OFFICE
CRITICAL ASSUMPTION Law enforcement and interdiction disrupt markets								
1 Coca Leaf price	**Definition:** Average price of dried coca leaf **Unit:** US$/kg	AD monitoring unit (MU) through informal surveys to key informants	Mid point average price of coca leaf collected at the end of the month in the different valleys (*) within the project area	Monthly	OE GAD/AD Project	Yes	Quarterly	OE GAD AD
2 Coca Paste price	**Definition:** Average price paid by "traqueteros" to coca paste producers **Unit:** US$/kg	AD monitoring unit through informal surveys to key informants	Mid point average price of coca leaf collected at the end of the month in the different valleys (*) within the project area	Monthly	OE GAD/AD Project	Yes	Quarterly	OE GAD AD
CRITICAL ASSUMPTION Other Donors continue sustained investment in infrastructure in Coca growing areas								
3 km of main highways rehabilitated	**Definition:** World Bank Tarma Satipo, Huanuco Tingo Maria Pucallpa, Tarapoto Corral Quemado IDB Lima Huanuco **Unit:** km	World Bank reports, IDB reports	AD MU will gather data	Annual	OE GAD/AD Project	No	Annually	OE GAD AD
CRITICAL ASSUMPTION Security is maintained and improved in targeted areas								
4 Number of incidences	**Definition:** Terrorist attacks, road assaults within the target areas during the reference year **Unit:** Number	AD MU records	AD MU will keep track of incidences, based on local information	Monthly	OE GAD/AD Project	No	Quarterly	OE GAD/ AD

COMMENTS/ NOTES (*) Coca growing target areas are Watersheds of Tocache and Uchiza in the Upper Huallaga Valley Aguaytia, Pozuzo Bravo and Sisa in Central Huallaga, Pichis and Pachitea in Pichis Palcazú, and Apurimac River Valley

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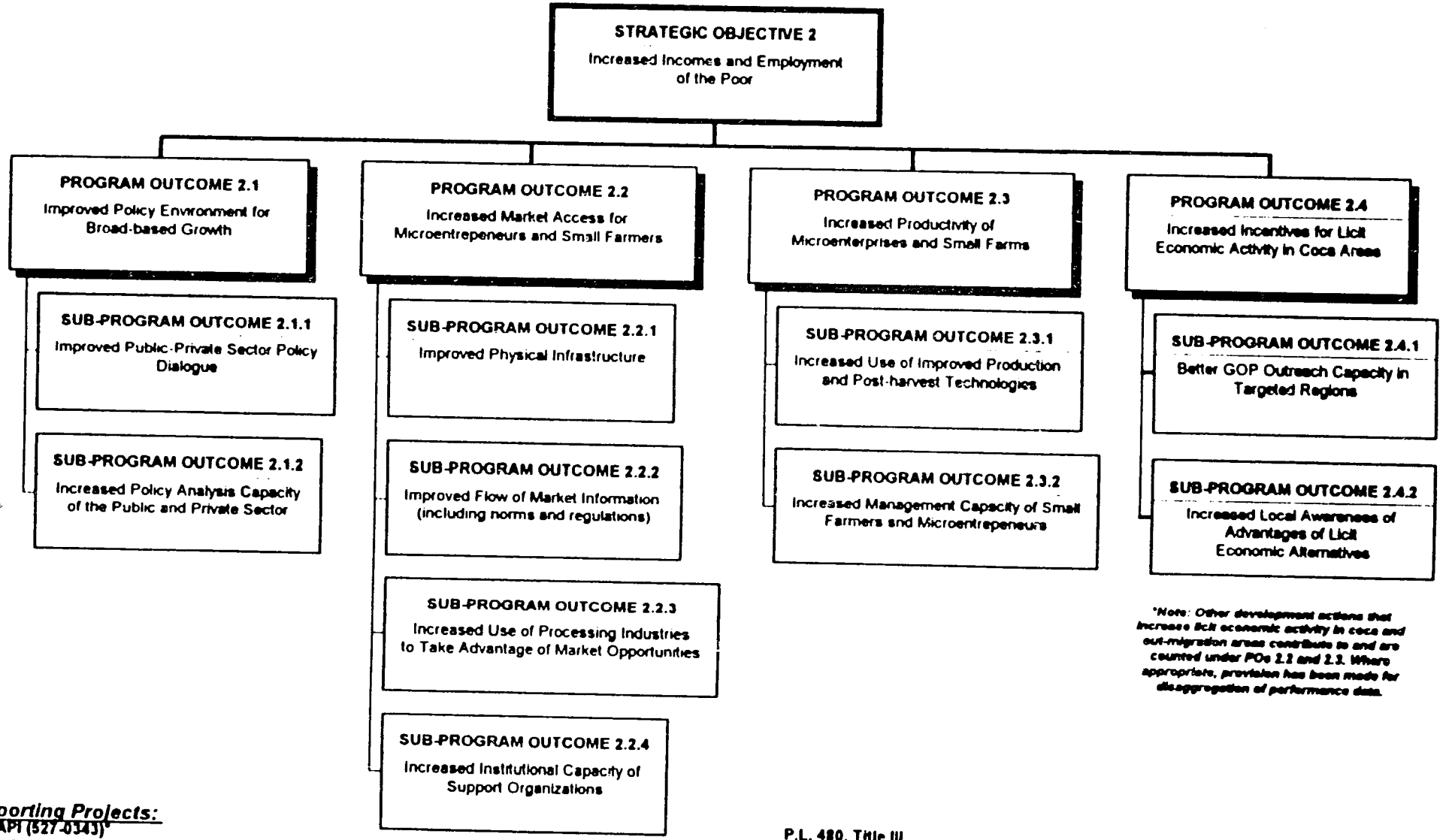
Figure 9
Strategic Objective 2



ANNEX 4

TABLE 12: PERFORMANCE MEASUREMENT PLAN FOR STRATEGIC OBJECTIVE 3

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULED FREQUENCY	RESPONSIBLE OFFICE		SCHEDULED REPORT	RESPONSIBLE OFFICE
STRATEGIC OBJECTIVE 3: Improved Food Security of the Extremely Poor								
1. Rates of chronic malnutrition	**Definition:** Incidence of low height for age (height for age more than 2 standard deviations below standard), in children in extremely poor areas (*) **Unit:** Percent	Demographic and Health Survey (DHS) 1992/1997, Poverty Map 1994	National level survey	Every 5 years	ORD/FED	Yes	Semiannual Reports Annual Action Plans	ORD/FED
2. Rates of global malnutrition	**Definition:** Incidence of low weight for age (weight for age more than 2 standard deviations below standard), in children in extremely poor areas. **Unit:** Percent	Demographic and Health Survey (DHS) 1992/1997, Poverty Map 1994	National level survey	Every 5 years	ORD/FED	Yes	Semiannual Reports Annual Action Plans	ORD/FED
3. Per capita food availability	**Definition:** Daily per capita caloric availability in Peru. **Unit:** Calories	FAO, Ministry of Agriculture 1986/91/96	National level survey	Every 5 years	ORD/FED	Yes	Semiannual Reports Annual Action Plans	ORD/FED
4. Primary Educational Attainment Rates of girls and boys	**Definition:** Percentage of men/women (six years and older) having primary education as its highest level of attainment in extremely poor departments (*) of Peru. **Unit:** Percent men Percent women	Ministry of Education 1993 National Census DHS 1997 National Living Standards Survey 1994/95. Poverty Map, 1994	National level survey	Every year	ORD/FED	Yes	Semiannual Reports Annual Action Plans	ORD/FED

COMMENTS/NOTES: Until new disaggregated data is available, data for Sierra region will be will be used to reflect extremely poor areas as it comprises 55% of the extremely poor population.

TABLE 13: PERFORMANCE MEASUREMENT PLAN FOR PROGRAM OUTCOME 3.1

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION*	ANALYSIS & REPORTING	
				SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	RESPONSIBLE OFFICE
PROGRAM OUTCOME 3.1: Nutritional Rehabilitation of Children Under Five Years Old in Program Households								
1. Number of high risk children participating in Title II nutritional rehabilitation programs	**Definition:*** **Unit:** Children	PVO Title II project records	Standardized PVO reporting on beneficiary participation every six months	Semi annually through PVOs	ORD/FFD	Yes	Semi-annual progress reports Annual Action Plans	ORD/FFD
2. Rate of graduation of high risk children (boys and girls) from program	**Definition:** Proportion of children entering program who demonstrate positive growth and compliance with health milestones within 6 20 month participation limits **Unit:** Percent (m/f)	PVO project records	Standardized PVO reporting on beneficiary participation every six months	Semi annually through PVOs	ORD/FFD	Yes	Semi-annual progress reports Annual Action Plans	ORD/FFD

COMMENTS/NOTES: * High risk is defined by a set of socio-economic, physical and biological characteristics (eg employment, education level, presence of malnourished children, incidence of diarrhea/respiratory infections, births spacing, number of children in family) which indicate presence or high risk of malnutrition in children under 36 months old

TABLE 14: PERFORMANCE MEASUREMENT PLAN FOR PROGRAM OUTCOME 3.2

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULED FREQUENCY	RESPONSIBLE OFFICE		SCHEDULED BY REPORT	RESPONSIBLE OFFICE
PROGRAM OUTCOME 3.2: Increased Income Available for Food Consumption in Extremely Poor Households								
1. Number of extremely poor households adopting improved agricultural production technology.	**Definition:** Farmer households adopting new practices (improved seed, inputs, etc.) on individual holdings. **Unit:** Cumulative Number	PVO project records	PVO beneficiary forms completed and compiled annually	Annually	ORD/FFD	Yes	Semi-annual progress reports (SAR) Annual Action Plans	ORD/FFD
2. Hectarage under intensified management through program interventions	**Definition:** Hectarage under intensified management through program intervention (e.g. irrigation, improved seeds, improved technology). **Unit:** Cumulative Hectares	PVO project records	PVO beneficiary forms completed and compiled annually	Annually	ORD/FFD	Yes	Semi-annual progress reports Annual Action Plans	ORD/FFD
3. Number of microenterprises assisted in extremely poor areas	**Definition:** Non-farm economic activities confined to individuals or groups of less than 10 persons in program areas, which have received technical assistance, training or credit in the reference year. **Unit:** # microenterprise women owned, # micro. men-owned	PVO project records	PVO beneficiary forms completed and compiled annually	Annually	ORD/FFD	Yes	Semi-annual progress reports Annual Action Plans	ORD/FFD
4. Rate of loan/revolving fund repayment	**Definition:** Proportion of loans made in farm and non-farm credit schemes not in arrears in reference year. **Unit:** % Loans to men current/total men recipients; Loans to women current/total women recipients.	PVO project records	PVO beneficiary forms completed and compiled annually	Annually	ORD/FFD	Yes	Semi-annual progress reports Annual Action Plans	ORD/FFD
5. Temporary employment created through program	**Definition:** Number of food for work participants during reference year. **Unit:** Number of persons (M/F)	PVO project records	PVO beneficiary forms completed and compiled annually	Annually	ORD/FFD	Yes	SARs Annual Action Plans	ORD/FFD

COMMENTS/NOTES:

TABLE 15: PERFORMANCE MEASUREMENT PLAN FOR PROGRAM OUTCOME 3.3

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULED FREQUENCY	RESPONSIBLE OFFICE		SCHEDULED BY REPORT	RESPONSIBLE OFFICE
PROGRAM OUTCOME 3.3: Increased Basic Education for Extremely Poor								
1. Drop out rates of school aged children (boys/girls) in program areas.	**Definition:** Drop out rates by gender and level in program areas (*). **Unit: %**	World Food Program Project Records	Surveys by PVO in charge of program monitoring	Bi annual reports	ORD/FFD	yes	Semi annual Progress Reports, Annual Action Plan	ORD/FFD
2. Level of GOP budgetary commitment to primary education in extremely poor areas	**Definition:** Percent growth of GOP budgetary resources oriented to primary education in extremely poor areas (**) **Unit: %**	Ministry of Economy and Finance, Ministry of Education	Surveys by PVO in charge of program monitoring	Bi annual reports	ORD/FFD	yes	Semi annual Progress Reports, Annual Action Plan	ORD/FFD

COMMENTS/NOTES: (*) Program areas will be defined when program starts (**) Extremely poor areas include departments of Ayacucho, Apurimac, Huancavelica and Cusco

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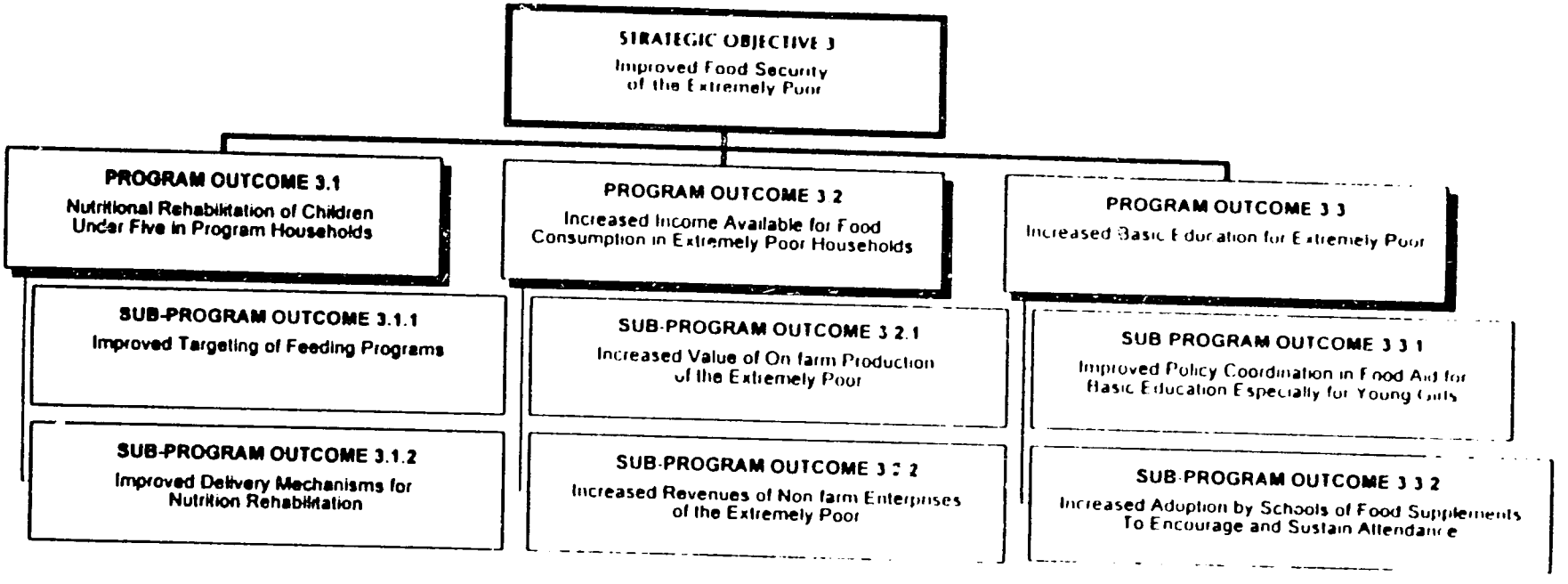
Figure 10
Strategic Objective 3



Supporting Projects:

P.L. 480, Title II*
P.L. 480, Title III
PAFI (527-0343)

ANNEX 5

TABLE 16: PERFORMANCE MEASUREMENT PLAN FOR STRATEGIC OBJECTIVE 4

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION	ANALYSIS & REPORTING	
				SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE FREQUENCY	RESPONSIBLE OFFICE
STRATEGIC OBJECTIVE No. 4: Improved Health of High Risk Populations								
1. Infant Mortality Rate (rural/peri-urban)	**Definition:** Number of deaths in first year of life per 1,000 live births. **Unit:** Number of deaths per 1000.	Demographic Health Survey (DHS)	National Survey Data will be analyzed for rural and urban areas	Every five years	OHPN	Yes	Every five years	OHPN
2. Under- 5 Mortality Rate (rural/peri-urban)	**Definition:** Number of deaths per 1,000 children under 5 years of age. **Unit:** Number of deaths per 1000	DHS	National Survey Data will be analyzed for rural and urban areas	Every five years	OHPN	Yes	Every five years	OHPN
3. Chronic Malnutrition Rate in Children (rural/peri-urban)	**Definition:** Number of children under 5 years of age with low height for age (more than 2 s d below NCHS standard) per 100. **Unit:** number of children per 100.	DHS	National Survey Data will be analyzed for rural and urban areas	Every five years	OHPN	Yes	Every five years	OHPN
4. Maternal Mortality Rate (rural/urban)	**Definition:** Number of deaths of women while pregnant or within 42 days of end of pregnancy (irrespective of the duration and site of the pregnancy, from any cause related to or aggravated by pregnancy or its management) per 1,000 live births. **Unit:** Maternal deaths per 1,000 births	DHS	National Survey	Every five years	OHPN	Yes	Every five years	OHPN
5. Total Fertility Rate (rural/peri-urban)	**Definition:** Average number of births women would have during the course of their reproductive life if women in the various age groups continue to have births at the rate of the reference year. **Unit:** Number of births	DHS	National Survey Data will be analyzed for rural and urban areas	Every five years	OHPN	Yes	Every five years	OHPN
Comments/notes:								

TABLE 17: PERFORMANCE MEASUREMENT PLAN FOR PROGRAM OUTCOME 4.1

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE TO MISSION?	ANALYSIS & REPORTING	
				SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE FOR REPORT	RESPONSIBLE OFFICE
PROGRAM OUTCOME 4.1: Increased Use of Primary Health Care								
4.1.1 Immunization coverage rate for DPT 3	**Definition:** % of children under 1 year who received three doses of DPT vaccine in CY **Unit:** %	MoH (EPI) HIS System	Obtain from MoH (EPI), HIS National level data Health centers records	Annually	OHPN	YES	Annually	OHPN
4.1.2 Immunization coverage rate for polio 3	**Definition:** % of children under 1 year who received three doses of polio vaccine in CY **Unit:** %	MoH (EPI) HIS System	Obtain from MoH (EPI), HIS National level data	Annually	OHPN	YES	Annually	OHPN
4.1.3 Immunization coverage rate for measles	**Definition:** % of children under 1 year who received one dose of measles vaccine in CY **Unit:** %	MoH (EPI) HIS System	Obtain from MoH (EPI), HIS National level data	Annually	OHPN	YES	Annually	OHPN
4.1.4 Immunization coverage rate for tetanus toxoid in target areas	**Definition:** % of pregnant women in high-risk (*) areas who received at least 2 doses of tetanus toxoid vaccine in the reference year **Unit:** %	MoH (EPI) VEA System info from geographic areas that have high rates of neonatal tetanus	Obtain from MoH HIS and aggregate. A method will be devised to determine areas to be covered by this indicator	Annually	OHPN	YES	Annually	OHPN
4.1.5 CYP (Couple-years-of protection)	**Definition:** number of couples with effective protection for one year afforded by all the contraceptives distributed in reference year. **Unit:** CYP	MoH (FP), HIS and PRISMA records.	Obtain from MoH (FP), HIS National level data, from USAID sponsored NGOs	Annually	OHPN	YES	Annually	OHPN

Comments/Notes: High-Risk areas belong to the political regions of La Libertad, Ucayali, San martin, Chavin, Los Libertadores, Jose Carlos Mariategui and peri urban areas of Lima

TABLE 18: PERFORMANCE MEASUREMENT PLAN FOR PROGRAM OUTCOME 4.2

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	RESPONSIBLE OFFICE
PROGRAM OUTCOME 4.2: Heightened Sustainability of Primary Health Care Services/Systems								
4.2.1 Average % of costs recovered in targeted private sector facilities	**Definition:** Average percentage of total revenues divided by total costs per 100. Targeted facilities are those from MAXSALUD, PCFP, and PVFP NGOs **Unit:** %	SHIP Project, USAID sponsored NGOs	Obtain data annually on cost and revenues from each targeted facility	Annually	OHPN	No	Annually	OHPN
4.2.2 Percentage of MoH costs recovered in selected sub-regions.	**Definition:** Sub-region's (*) self generated revenues (own revenues) divided by total operational costs per 100. **Unit:** % of new soles	MoH sub regions (Project 2000)	Obtain data annually on revenues from targeted subregions	Annually	OHPN	No	Annually from 1997	OHPN
4.2.3 Percentage of participants trained in primary health care interventions	**Definition:** Targeted personnel are nurses, midwives, physicians, health promoters and traditional birth attendants in projects' geographic areas (*). Base number is expected to change over the years to reflect the total number of people in the targeted personnel categories in the selected geographic areas. **Unit:** %	MoH training statistics and information from USAID projects working with private and public sector	Obtain data annually by subregion on targeted personnel trained	Annually	OHPN	No	Annually	OHPN
4.2.4 % of priority health sub-regions receiving at least 75% of their required supplies	**Definition:** "Required" refers to the amounts listed in their local plans "Supplies" refers to four general categories: vaccines, pharmaceuticals, micronutrients and contraceptives **Unit:** %	MoH HIS system NGOs systems	Develop a method for calculating Obtain data annually from a pre determined list of sub regions	Annually	OHPN	No	Annually	OHPN
4.2.6 % of contraceptives distributed through the private sector	**Definition:** Contraceptives distributed through the private sector at community level divided by the total USAID provided contraceptive distribution. **Unit:** %	PRISMA	The distribution statistics will be used to calculate CYP for both the private and public sectors	Annually	OHPN	Yes (through PRISMA)	Annually	OHPN

Comments/Notes: (*) Regions of La Libertad, Ucayali, San Martin, Chavin, Los Libertadores, Jose Carlos Mariategui and peri urban areas of Lima (**) As such, this reflects sustainability of the system, since it assumes that as new personnel enter the system, they will receive the necessary training

TABLE 19: PERFORMANCE MEASUREMENT PLAN FOR PROGRAM OUTCOME 4.3

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE FREQUENCY	RESPONSIBLE OFFICE
PROGRAM OUTCOME 4.3: Increased Use of Preventive Practices and First line Care in the Home and Community								
4.3.1 Average duration of exclusive breastfeeding in targeted areas.	**Definition:** Exclusive breastfeeding refers to non use of juices, water or other foods. **Unit:** Avg. # of months	INEI thru Project 2000 funding	Bi annual sample survey of households in USAID priority sub regions (*)	Bi annually	OHPN	No (beginning 1996)	Bi annually	OHPN
4.3.2. % of children aged 6-9 months, in targeted areas, who receive at least two portions of appropiate weaning foods a day.	**Definition:** Appropiate weaning foods are those with a density and nutrient content adequate for this age. **Unit:** %	INEI thru Project 2000 funding	Bi annual survey, based on a sample number of households in USAID priority sub regions	Bi annually	OHPN	No (beginning 1996)	Bi annually	OHPN
4.3.3 % of caretakers in targeted areas who know the signs and symptoms of acute respiratory infections.	**Definition:** caretakers refers to mothers, fathers, older siblings or other household members who care for children. **Unit:** %	INEI thru Project 2000 funding	Bi annual survey in the targeted regions, based on a sample number of households in USAID priority sub regions	Bi annually	OHPN	No (beginning 1996)	Bi annually	OHPN
4.3.4 % of communities in targeted areas with trained birth attendents, health promoters, CBDs, and mini pharmacies.	**Definition:** Proportion of communities where the health/FP person or mini pharmacy is actively providing services. "Communities" refers to delivery points or geographic areas locally recognized as having a distinct geographic boundary. **Unit:** %	SHIP, Project 2000, and USAID sponsored NGOs	Data will be collected annually Method for providing a standardized counting of "communities" will be developed	Annually	OHPN	NO (beginning 1996)	Annually	OHPN
4.3.5 Change in contraceptive discontinuation rates in targeted areas.	**Definition:** % of users in the index/year that stop using a particular method within 12 months of adoption of that method **Unit:** %	INEI	Annual survey based on a sample of households in USAID priority sub regions (*)	Annual	OHPN	No (beginning 1996)	Annually	OHPN

Comments/Notes: (*) Priority sub-regions comprise: "La Libertad", "Ucayali", "San Martin", "Chavin", "Los Libertadores", "José Carlos Mariategui" and "Lima"

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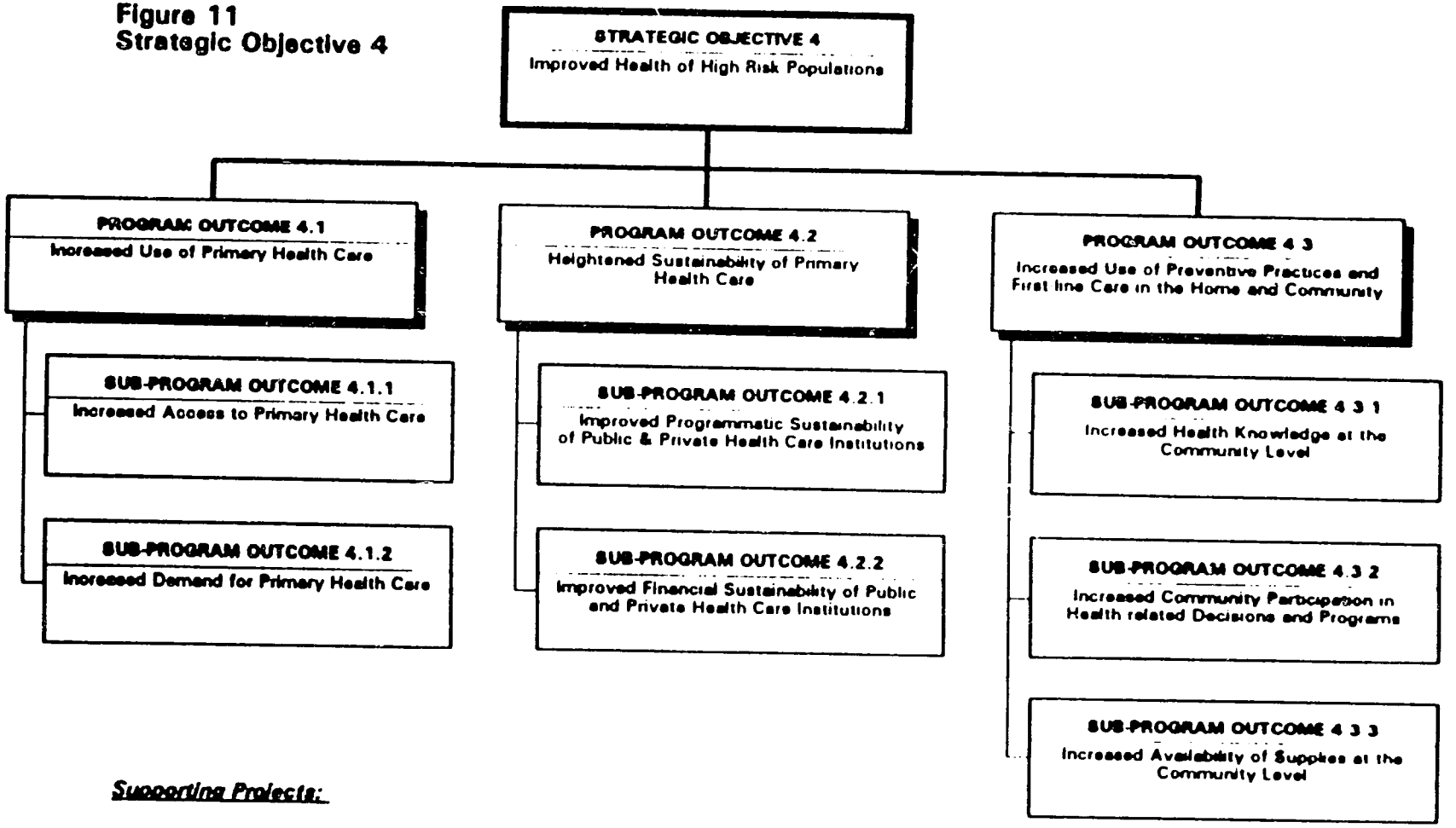
TABLE 2.2: PERFORMANCE MEASUREMENT PLAN FOR PROGRAM OUTCOME (Continue)

Suggested for deletion

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				[illegible]	[illegible]		[illegible]	[illegible]
PROGRAM OUTCOME 2.2: Heightened Sustainability of Primary Health Care Services/Systems								
				Annually	OHPN	No	Annually	OHPN
2.2.5 Average % of reduction in number of days of stock-outs.	Definition: The "stock" items are vaccines, pharmaceuticals, micronutrients and contraceptives Unit: %	PRISMA, MoH MIS Systems	Develop a method for calculating. Obtain data annually from a pre determined list of sub regions	Annually	OHPN	No	Annually	OHPN
				Annually	OHPN		Annually	OHPN
Comments/Notes.								

Figure 11
Strategic Objective 4



Supporting Projects:

SHIP (527-0319)
Private Commercial FP (527-0326)
P.L. 480, Title II
Private Vol. Org. FP Services Exp. (527-0335)
Child Survival Action Project (CSAP) (527-0293)
Peru Family Planning Imp. Prj. (527-0335)
Project 2000 (527-0366)

Project 2000
Private Vol. Org. FP Services Exp. CSAP
SHIP
Peru Family Planning Imp. Prj.

Project 2000 (527-0366)
SHIP
PVO Support

ANNEX 6

TABLE 20: PERFORMANCE MEASUREMENT PLAN FOR STRATEGIC OBJECTIVE 5

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE PERIOD	RESPONSIBLE OFFICE
STRATEGIC OBJECTIVE 5: Improved Environmental and Natural Resource Management								
1. % of remaining natural forest under sustainable management systems	**Definition:** Includes protected areas, buffer zones, and public and private holdings under long term arrangements.[1] **Unit:** %	Conservation Data Center, INRENA, Ministry of Agriculture	Remaining natural forest will be identified by remote sensing and GIS. Polygons representing areas under management will be overlaid and spatially calculated as a percentage. Each management unit can be classified according to the degree of attribution to USAID programs.[2]	Every three years	ORD	No	Every three years	ORD
2. # of watersheds with appropriate management practices	**Definition:** Appropriate management implies a set of soil and water conservation practices, including terracing, agro forestry, and upper watershed reforestation **Unit:** Number	INRENA, Ministry of Agriculture, CONAM	Review of all watershed management activities under Ministry of Agriculture supervision	Every three years	ORD	No	Every three years	ORD
3. # of people living in a cleaner environment	**Definition:** Population residing in areas impacted by pilot urban and industrial activities, such as fishing, mining and peri urban solid waste processing.[3] **Unit:** Number	Contracted studies	Surveys in pilot areas	Every three years	ORD	No	Every three years	ORD

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION[1]	ANALYSIS & REPORTING	
				SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REGION	RESPONSIBLE OFFICE
4. Proportion of men/women who believe that environmental protection and natural resource management is important	**Definition**: Proportion of population interviewed indicating awareness. **Unit**: % (male/female)	Contracted studies	Nationwide surveys on degrees of awareness	Every three years	OHD	No	Every three years	OHD

COMMENTS/NOTES: [1] Natural forest refers to naturally occurring and relatively intact vegetation associations and the fauna they harbor. Sustainable management implies long term management plans for both consumptive and non consumptive uses, i.e., including both conservation and sustainable uses generally including those that go beyond simple timber management to include alternative forest resources. It also implies that adequate institutional and budgetary mechanisms are in place and that the policy context provides adequate incentives to prevent destructive clearing. Most areas in question are in the Selva. [2] Although USAID activities will affect the rates of forest clearing, measuring this impact on a five to eight-year timeframe is unrealistic. For conservation needs to be met, an estimated 20-25% of the original forest needs to be maintained in a relatively natural state. This is a proxy measure for reduced risk to health hazards which is more difficult to measure, more difficult to aggregate and is less likely to show impact in the relatively short run.

TABLE 21: PERFORMANCE MEASUREMENT PLAN FOR PROGRAM OUTCOME 5.1

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE FOR REPORT	RESPONSIBLE OFFICE
PROGRAM OUTCOME 5.1: Improved Regulatory Framework for Environment and Natural Resource Bases								
1. CONAM effectiveness	**Definition:** Matrix for tracking and scoring effectiveness in key areas of CONAM interventions: National Environmental Policy and Plan development, coordination with environmental units in ministries, establishment of technical procedures and methodologies for standards and maximum permissible limits, conflict resolution between sectoral institutions, and others under its responsibility. **Unit:** Score	SENREM Project records, CONAM	Analysis of operations	Annually April	ORD	Yes	Annually April	ORD
2. Timely implementation of policy agenda	**Definition:** Policy matrix for tracking and scoring progress on specific ENRM policy issues. Focus on promulgation of policy incentives that create value while improving the environment and natural resource bases. **Unit:** Score	Mission monitoring and GOP records	Policy monitoring group gives ranking of progress on each issue. Formal Mission review by environmental working group	Semi annually	ORD	Yes	Semi annually	ORD
3. # of civil society groups participating in ENRM policy process	**Definition:** Number of groups that carry out one or more activities that: a) encourage open public hearings on environmental issues; b) monitor government environmental norms, policies, and regulations; c) develop and represent environmental constituencies; and d) educate citizens on how to affect local implementation of ENRM policies **Unit:** Number of groups	PVO Support, SENREM, LGD, AD, PARDEM Project records, CONAM	Review PVO Support, SENREM, PARDEM LGD, AD Project records, interview all groups as to type of action	Annually	ORD/ODET/ OLGAD	No	Annually	ORD ODET OLGAD
COMMENTS/NOTES:								

TABLE 22: PERFORMANCE MEASUREMENT PLAN FOR PROGRAM OUTCOME 5.2

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE FREQUENCY	RESPONSIBLE OFFICE
PROGRAM OUTCOME 5.2: Improved Environmental Protection in Targeted Urban and Industrial Locations								
1. # of pilot efforts implemented to reduce pollution	**Definition:** Successful implementation of pilot urban and/or industrial efforts **Unit:** Number	SENREM Project records	Review SENREM Project records, interview sample of participants in pilot efforts	Semi annually	ORD	Yes	Semi annually	ORD
2. % of households in peri-urban areas regularly receiving waste management services	**Definition:** Solid and toxic wastes in peri-urban areas collected and processed. Regular service at least bi-weekly. Proportion of total households residing in pilot areas receiving services. **Unit:** %	SENREM Project records	Regular monitoring of peri-urban microenterprises undertaking solid waste disposal activities in target areas. Total households will be counted as part of baseline survey and assumed to be constant for PO reporting period	Semi annually	ORD	No	Semi annually	ORD
3. # of risk assessments undertaken to identify priority interventions	**Definition:** Risk assessments carried out. Quality of work verified. Decisions made based on results. Concept of using risk assessments promoted and awareness of utility of assessments recognized. **Unit:** Number of assessments	SENREM Project records	Review of SENREM project records, interview municipalities participating in risk assessments	Semi annually	ORD	Yes	Semi annually	ORD
COMMENTS/NOTES								

TABLE 23: PERFORMANCE MEASUREMENT PLAN FOR PROGRAM OUTCOME 5.3

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REGION	RESPONSIBLE OFFICE
PROGRAM OUTCOME 5.3: Increased Conservation of Natural Habitats								
1.# of selected protected areas implementing management plans	**Definition:** Management plans include: quantified resource base, alternative resource uses, timeframe for proposed activities, human/financial resources budgeted. **Unit:** Number of areas	ENRS, SENREM Project records, PROFONANPE	Review ENRS, SENREM Project records, survey managers of selected protected areas	Semi annually	ORD	No	Semi annually	ORD
2. Populations of key/indicator species in selected protected areas	**Definition:** Key species are those whose populations are threatened locally by unsustainable uses such as the black caiman in Pacaya-Samiria. Indicator species are those that require and thus reflect healthy and sufficiently extensive habitat, such as migratory birds. **Unit:** Individuals per area	ENRS, SENREM Project records, PROFONANPE	Ecological surveys in selected representative habitats	Every two years	ORD	No	Every two years	ORD
3. Number of studies identifying alternative methods of productive livelihood programs.	**Definition:** Income and employment generation possibilities from natural flora and fauna for populations living in and around selected protected areas. **Unit:** Number of studies	ENRS, SENREM Project records	Review ENRS, SENREM Project records	Annually	ORD	Yes	Annually	ORD
COMMENTS/NOTES								

TABLE 24: PERFORMANCE MEASUREMENT PLAN FOR PROGRAM OUTCOME 5.4

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA REGULARLY AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE FREQUENCY	RESPONSIBLE OFFICE
PROGRAM OUTCOME 5.4 Increased Adoption of Sustainable Use Practices in Fragile Ecosystems								
1. # of hectares in selected areas reforested	**Definition:** Block stands of trees planted for environmental purposes and on farm forestry. **Unit:** Hectares	AD Project and Title II PVO Project records	Review AD and Title II PVO Project records	Semi annually	ORD OEGAD	Yes	Semi annually	ORD OEGAD
2. # of hectares in selected areas under improved soil management	**Definition:** Improved practices include bench terraces, bunds, agroforestry. **Unit:** Hectares	AD Project and Title II PVO Project records	Review AD and Title II PVO Project records	Semi annually	ORD OEGAD	Yes	Semi annually	ORD OEGAD
3. # of farmers employing environmentally sound pest control techniques	**Definition:** Techniques include IPM and post-harvest control. **Unit:** Number of farmers	CARE IPM, MSP Project records	Review CARE IMP and MSP Project records	Semi Annually	ORD	Yes	Semi Annually	ORD
COMMENTS/NOTES								

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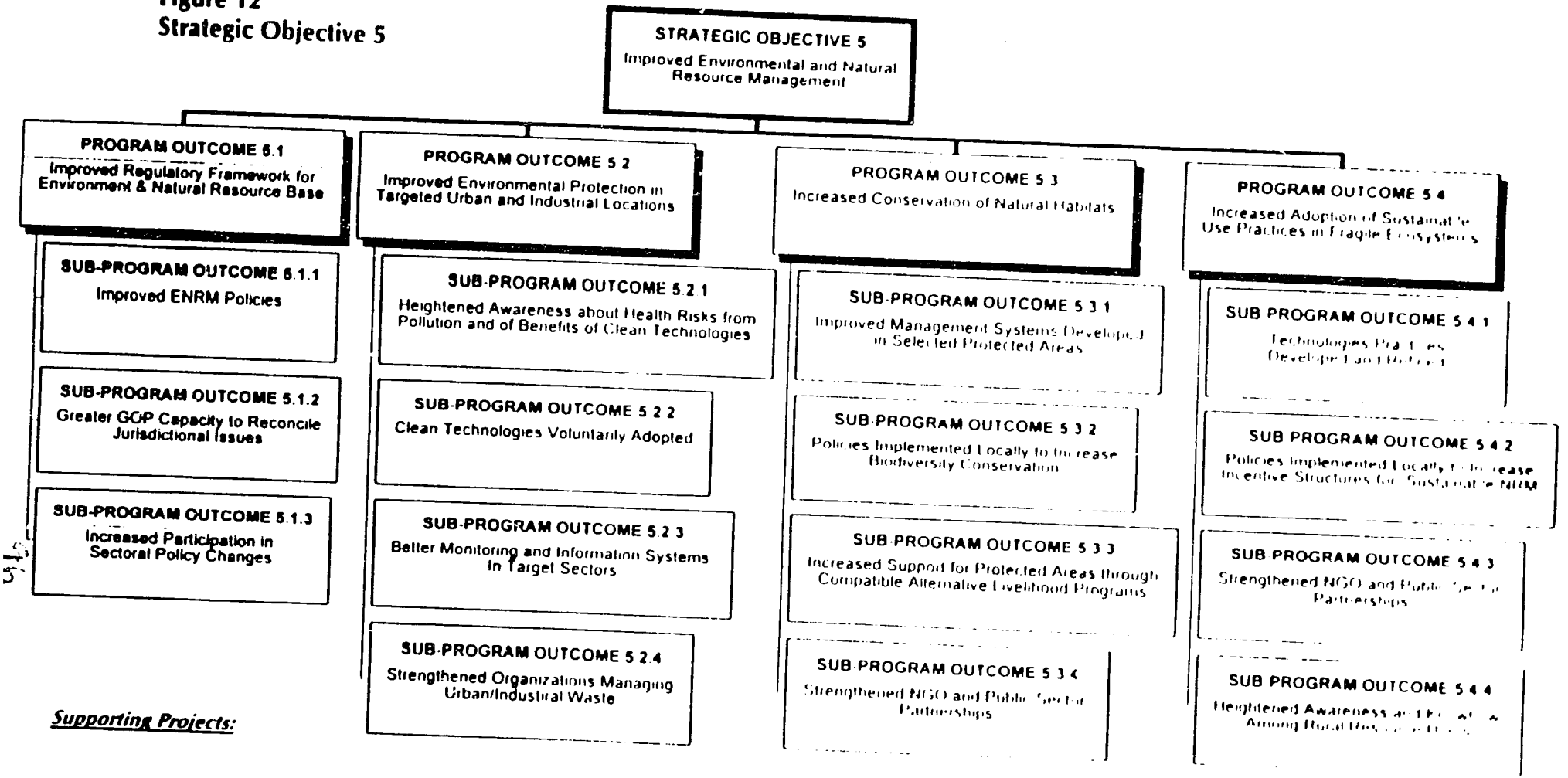
Figure 12
Strategic Objective 5



Supporting Projects:

1) SENREM (527-0368)*
2) PAPI (527-0343)
3) P.L. 480, Title III
4) LGD
5) AD
6) PARDEM

1) SENREM (527-0368)*

1) ENRS (527-0411)*
2) SENREM (527-0368)*

1) AD (527-0348)*
2) PL 480 Title II*
3) IPM (527-0523)*
4) MSP (527-0349)
5) LGD