

MERCATUS CENTER
GEORGE MASON UNIVERSITY

FY 2008 Annual Performance Report Scorecard
U.S. Agency for International Development
(Pilot Agency)

SCORE SUMMARY	
Transparency:	15
Public Benefits:	10 Minimum per category = 4, minimum total = 12
Leadership:	11 Maximum per category = 20, maximum total = 60
Total:	36
<u>Score (1-5)</u>	TRANSPARENCY
<u>5</u>	1. Is the report easily accessible and easily identified as the agency’s Annual Performance Report?
<p>The report (28 pages, 3.0 MB) was posted to the agency’s Web site as of January 16. A prominent link on the left-hand side of the agency home page led directly to the report. The page containing the report included an introductory video by the agency head, an interesting feature. It also included a link to last year’s report, but not earlier versions. A Web site search for “performance and accountability report” produced the earlier versions. There was no report-specific contact information online. The back cover of the report had extensive report-specific contact information. The first page of the report refers to the agency’s FY 2008 financial and performance reports, but does not provide a link or web site address for them. The agency’s home page had a prominent direct link to the performance report (69 pages, 1 MB) but not to the financial report. Page 22 of the citizens’ report has a link to the inspector general’s presentation of major management challenges in the financial report, but that link did not work at the time of our review. We were able to find and access the financial report from the agency web site. It is a large single file (142 pages, 13.2 MB), which took some time to access.</p>	
<u>4</u>	2. Is the report easy for a layperson to read and understand?
<p>Unlike last year, USAID and the State Department submitted separate citizens’ and performance reports this year. USAID uses a manageable 37 performance measures, all of which are covered to some extent in the citizens’ report. The citizens’ report’s descriptions of results by strategic goal are reasonably concise. Vignettes also illustrate some accomplishments. It has a special section (pages 19–20) describing the agency’s activities and accomplishments in support of the rebuilding of Iraq and Afghanistan. The administrator’s transmittal letter highlights several agency accomplishments, some with striking figures (e.g., polio vaccinations provided to over 400 million children in 33 countries; nutrition programs benefiting 160 million people in 23 countries). The agency’s FY 2008 performance report, which is longer than the citizens’ report but still a manageable 67 pages, supplies more detail on the agency’s overall performance under each strategic goal and provides results for each performance measure.</p>	

<u>3</u>	3. Are the performance data valid, verifiable, and timely?
<p>The administrator’s transmittal letter states that the report’s performance and financial data are complete and reliable. She touches briefly on the agency’s data quality processes and refers to the agency performance report for a fuller discussion of this subject. The performance report (page 6) provides additional general background on data quality. The presentations for individual measures in the performance report include a data source and statement of data quality for each measure (e.g., page 11). The agency received an unqualified opinion on its FY 2008 financial statements. The citizens’ report indicates that FY 2008 results are complete for all 37 performance measures (page 6). One cautionary note is that the inspector general lists “managing for results” as one of the agency’s major management challenges and states that during FY 2008 his office “issued 36 audit reports that included 107 recommendations pertaining to issues involving data quality, performance indicators, reporting of results, and supporting documentation.” (Financial report, page 108.) Unfortunately, the inspector general does not elaborate on the audit findings; thus, reader has no basis to assess the gravity of these problems.</p>	
<u>3</u>	4. Did the agency provide baseline and trend data to put its performance measures in context?
<p>The report is formatted to show prior year results (but not targets) back to FY 2005. It also shows preliminary targets for FY 2009. However, less than half of the measures have results going back that far. The report explains (page 3) that this is only the second reporting cycle for the integrated USAID-State Department performance indicators; thus, prior year data for most measures only go back to FY 2007. The narratives do not systematically elaborate on performance results or trends for each individual measure, but they do discuss broader trends by strategic goal.</p>	
<u>Subtotal: 15</u>	

<u>Score (1-5)</u>	BENEFITS TO THE COMMUNITY
<u>3</u>	5. Are the goals and objectives stated as outcomes?
	<p>USAID has five programmatic strategic goals, described on page 5, which it shares with the State Department. These goals carry over from last year. They are: “Achieving Peace and Security,” “Governing Justly and Democratically,” “Investing in People,” “Promoting Economic Growth and Prosperity,” and “Providing Humanitarian Assistance.” As we observed last year, several of these goals describe outcomes but at a high level that makes measurement of results difficult. Like State, USAID added text this year to help clarify the goals. Unlike State, however, the additional text USAID supplied does little to provide more specific and measurable outcomes. Also unlike State, USAID does not have strategic objectives to help flesh out the goals.</p>
<u>3</u>	6. Are the performance measures valid indicators of the agency’s impact on its outcome goals?
	<p>The agency’s performance measures are listed on pages 9, 11, 14, 16 and 18. About one-third of the 37 measures appear to be outcome-oriented. Most of these are intermediate outcomes. Many of the measures are expressed as raw numbers that relate to outputs or activities. A few of the numbers measures might be outcome oriented if expressed as a percentage of the end to be achieved.</p>
<u>3</u>	7. Does the agency demonstrate that its actions have actually made a significant contribution toward its stated goals?
	<p>Overall, the agency’s performance metrics are average at best, with the measures being somewhat more outcome oriented than the goals. The limited prior-year data for many measures is a drawback. The report (page 6) shows that the agency fell short on about 60 percent of its FY 2008 targets. However, its performance improved over the prior year for slightly over one-third of the missed targets.</p>
<u>1</u>	8. Did the agency link its goals and results to costs?
	<p>The report links budget costs only to the strategic goals (pages 5, 7).</p>
<u>Subtotal: 10</u>	

Score (1-5)	FORWARD-LOOKING LEADERSHIP																								
<u>3</u>	9. Does the report show how the agency’s results will make this country a better place to live?																								
<p>The report’s transmittal letter and narratives do a decent job of describing the public benefits that flow from the agency’s work. The performance report also has useful narrative content, including a transmittal letter by the agency’s performance improvement office (pages 2–3) which highlights additional specific results. As discussed previously, the performance metrics leave considerable room for improvement.</p>																									
<u>2</u>	10. Does the agency explain failures to achieve its goals?																								
<p>The report clearly discloses performance results, including shortfalls, and mentions some of them in the narratives. However, it does not consistently explain missed targets. The performance report does not highlight explanations for performance shortfalls. It incorporates explanations into its narratives, but the reader must dig a little to find them (e.g., pages 11, 17, 20–21). The quality of the explanations varies. One would expect to find more prominent and richer descriptions of reasons for shortfalls and improvement strategies given the large proportion of missed targets.</p>																									
<u>3</u>	11. Does the report adequately address major management challenges?																								
<p>Page 22 of the report contains a high-level summary of inspector general-identified major management challenges, as well as remedial actions already taken and those planned for the future. It has a direct link (which didn’t work for us) as well as a specific page cite to the inspector general’s full presentation on major management challenges in the financial report. The inspector general’s presentation (pages 106–117 of the financial report) does not systematically assess the agency’s extent of progress and it is vague about the nature of a few challenges. However, it does seem to give the agency credit for progress in most areas. It includes a table (pages 114–117) showing remedial actions taken in FY 2008 and future planned actions. Some of these entries are insightful, but others simply refer to the numbers of audit recommendations closed or still open. The agency has fairly good scores on the core items of the President’s Management Agenda, having improved in three categories this year:</p>																									
<table border="1"> <thead> <tr> <th colspan="6">President’s Management Agenda “Status” Scores: USAID</th> </tr> <tr> <th>Date</th> <th>Human Capital</th> <th>Comm. Services Management</th> <th>Financial Performance</th> <th>E-Gov</th> <th>Performance Improvement</th> </tr> </thead> <tbody> <tr> <td>9/30/08</td> <td>G</td> <td>Y</td> <td>G</td> <td>Y</td> <td>G</td> </tr> <tr> <td>9/30/07</td> <td>Y</td> <td>R</td> <td>G</td> <td>Y</td> <td>Y</td> </tr> </tbody> </table>		President’s Management Agenda “Status” Scores: USAID						Date	Human Capital	Comm. Services Management	Financial Performance	E-Gov	Performance Improvement	9/30/08	G	Y	G	Y	G	9/30/07	Y	R	G	Y	Y
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9/30/08	G	Y	G	Y	G																				
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<u>3</u>	12. Does it describe changes in policies or procedures to do better next year?																								
<p>The report has limited content on improvement strategies for specific missed measures—again, less than one would expect considering that 60 percent of the FY 2008 performance targets were missed. It is stronger in describing changes to address major management challenges. Also, the report has some content on broader programmatic challenges and how they will be addressed.</p>																									
<u>Subtotal: 11</u>																									

