ADS Chapter 203

Assessing and Learning

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ADS 203 – Assessing and Learning

203.1 OVERVIEW
Effective Date: 09/01/2008

USAID as an Agency plans and implements Assistance Objectives (AOs) that are expected to improve the development status of selected countries and regions around the world. (See ADS 201 and 202). This chapter provides guidance for USAID Operating Units – USAID Missions, Regional Platforms, and Washington Bureaus and Offices, henceforth referred to as USAID Mission/Offices, on Agency practices and standards used to determine how well AOs are achieving their intended results. It describes:

1) How AO Teams collect and use both quantitative and qualitative performance information to manage for and report on results;

2) How to use the tools of performance monitoring and of evaluation to promote learning and strengthen future performance in achieving intended development results;

3) How processes such as Portfolio Reviews and preparation of the annual joint U.S. Government (USG) Operational Plan (OP) and the annual joint USG Performance Report assess AOs and contribute to performance analysis and learning at the Bureau and Agency levels;

4) How to understand the factors that may be limiting progress made in achieving targeted results and the kinds of actions needed to optimize the achievement of targeted results; and

5) How USAID should facilitate the sharing of lessons learned within the Agency, with other USG foreign affairs organizations, and throughout the development community as a whole.

The key concept throughout this chapter is that USAID Missions/Offices can only assess the impact of an AO if they have previously defined the results that the AO is intended to achieve, how the various proposed outputs should work together to achieve the desired results, and how these outputs and results will be measured.

203.2 PRIMARY RESPONSIBILITIES
Effective Date: 09/01/2008

For specific responsibilities of various USAID Missions, Regional Platforms, and Washington Bureaus and Offices, see ADS 200.2.

203.3 POLICY DIRECTIVES AND REQUIRED PROCEDURES
Effective Date: 09/01/2008

203.3.1 Mandatory and Non-Mandatory Guidance
Effective Date: 09/01/2008

This chapter describes both mandatory and non-mandatory procedures and practices. Mandatory procedures are identified with use of the words "must," "required," or other clear designation. They are mandatory because they deal with USAID's policies and processes, or are required by law, regulation, Executive Order, or binding agreement. In some cases, the underlying law, regulation, Executive Order, or binding agreement will include provision for exceptions, waivers, and national interest determinations and these provisions must be followed. Please consult with the Office of the General Counsel (GC) or with the Regional Legal Advisor (RLA) if there is doubt about whether a provision is mandatory and the process, if any, for exceptional treatment.

The non-mandatory procedures described in this chapter are intended to increase consistency and predictability of operations. Non-mandatory procedures are identified with use of the words "should," "recommended," "may," or other clear designation. Although USAID Missions/Offices should generally follow these procedures, they may choose to allow exemptions or adapt them to particular situations, especially when such exemptions promote core values, and guiding principles, and increase cost-efficiency. USAID Missions/Offices do not have to document exemptions from non-mandatory procedures.

Note: To alert readers, the word "MANDATORY" will often appear at the start of a paragraph. The paragraph itself may contain a combination of mandatory and non-mandatory language, as signaled by the words listed above.

The text details special exemptions from some mandatory procedures. Assistant Administrators have authority to approve, as necessary, additional exemptions from the mandatory procedures beyond those exemptions specifically mentioned in this chapter. Approval for any such additional exemptions must be obtained in writing from the Assistant Administrator of the responsible Bureau and must be written as an action memorandum cleared by the Office of the Chief Operating Officer (COO), and the Management Bureau/Office of Management Policy, Budget and Performance (M/MPBP) before approval.

Special Exemptions: Certain programs are exempted from the mandatory procedures described in this chapter, including (1) emergency disaster assistance such as that under the International Disaster Assistance (IDA) account and (2) emergency food aid authorized under Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (Pub.L. 480).

203.3.2 Performance Management

Effective Date: 09/01/2008

The Government Performance and Results Act (GPRA) of 1993 establishes requirements for strategic planning and performance measurement for all USG agencies. USAID Missions/Offices may be audited for their compliance with USAID policies on performance management as described in **ADS 592**.

Accordingly, USAID Missions/Offices and their AO Teams are responsible for measuring progress towards the results identified in the planning stage to achieve foreign assistance objectives. The concept of performance management encompasses the tools used for assessing, learning, and sharing. As defined in **ADS 200.6:**

> **Performance management** is the systematic process of monitoring the achievements of program operations; collecting and analyzing performance information to track progress toward planned results; using performance information and evaluations to influence AO decision-making and resource allocation; and communicating results achieved, or not attained, to advance organizational learning and tell the Agency's story.

Performance management represents the Agency's commitment to managing AOs for results in order to achieve the best possible development outcomes.

It is important to understand the difference between performance monitoring and evaluation, as these tools perform different functions:

- Performance monitoring reveals whether desired results are occurring and whether AO outcomes are on track. It addresses the "what" of performance. Performance monitoring uses preselected indicators to measure progress toward planned results at every level of the Results Framework continuously throughout the life of an AO.

- Evaluation answers the "why" or "why not" of performance, as well as the "what else" question. It is used on a periodic basis to identify the reasons for success or lack of it, to assess effects and impacts, or to indicate which, among a range of program or project/activity alternatives, is the most efficient and effective. It may also be used to draw lessons for future interventions. Evaluation typically employs a range of quantitative and qualitative measures in addition to preselected indicators and may consider both planned and unplanned results. Evaluation also provides an opportunity to reexamine the Development Hypothesis of the AO (as well as its underlying assumptions) and to make adjustments based on new evidence.

203.3.2.1 The Performance Management Process
Effective Date: 09/01/2008

The four principal steps in performance management are:

a. Establishing a performance management framework. As an AO Team develops its Results Framework (see the mandatory requirement in ADS 201.3.8.3), it must identify the hierarchy of results that it intends to achieve over the long term. Concurrently, the AO Team must plan how it will monitor and evaluate progress toward those results. This includes:

- Selecting performance indicators;
- Planning for evaluation and special studies that will be used to measure progress over time and to understand any obstacles impeding progress;
- Defining the program/project starting point (by establishing a performance baseline) and the change in the situation that will signal success (by identifying performance targets for each year of the project);
- Identifying the data collection methods that will be used, the frequency of data collection, and the responsibility for data collection, compilation, analysis, and data quality assessments; and
- Deciding how data will be used for decision-making on how to improve performance, resource allocation, and communication of the USAID Mission/Office's story.

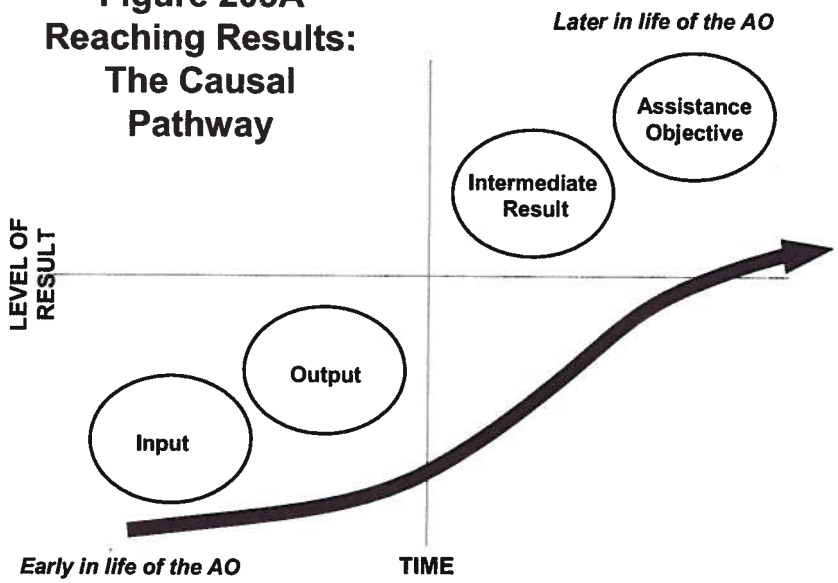
b. Collecting and analyzing performance information to track progress toward planned results. Performance information can come from a variety of sources — for example, partner progress reports, periodic evaluations, or special studies conducted by the host government, other donors, or USAID itself. The AO Team should regularly collect, analyze, and interpret the data in order to enhance its ability to make program/project adjustments in a timely manner.

c. Using performance information to influence AO decision-making and resource allocation. USAID Missions/Offices usually have varying information needs for decision-making depending on the implementation stage of an AO. The evolving levels of performance information over the life-cycle of a program are shown graphically in Figure 203A, "Reaching Results: The Causal Pathway." The basis for decision-making by AO Teams will vary according to the implementation stage of a program. Early in the implementation of an AO, AO Teams are likely to base their decisions largely on input and output data. As implementation proceeds and outputs become more substantial, AO Teams will still need to consider the input and output data sources, but will also focus their program management decisions more on whether intended results are being achieved.

Therefore, AO Teams will need information that measures progress at the AO level. (See ADS 201.3.8.2, **Development Hypothesis** and ADS 201.3.8.3, **Results Framework**). This information will come both from monitoring and from evaluation data. (For definitions of input, output, outcome, and impact, see ADS 200.6.) While activities and projects are expected to produce the measurable change represented by outcomes, it is likely to take the combined efforts of several projects to produce sustainable impact at the AO level.

d. Communicating results achieved or not achieved, to advance organizational learning and demonstrate the Agency's contribution to achieving the overall USG foreign assistance goal. Communication allows a USAID Mission/Office to tell its story to its various stakeholders and partners, including the host government. For example, sharing performance information with local partners and customers can help mobilize the knowledge and experience of key stakeholders and identify ways to improve results. Communication includes submitting reports—such as project evaluations, the yearly Operational Plan or the Performance Report—which facilitate learning within the Agency and other concerned USG agencies. Communication is also a powerful element of performance management.

Figure 203A
Reaching Results: The Causal Pathway



203.3.2.2 Key Principles for Effective Performance Management

Effective Date: 09/01/2008

To implement performance management effectively, USAID Missions/Offices and their AO Teams should demonstrate a broad commitment to key principles and practices that foster a performance-oriented culture. USAID's credibility is enhanced when its AO Teams employ the following principles and practices as a regular part of their performance management efforts:

a. **Plan early for performance management.** AO Teams should plan for performance management while developing a new AO. Starting early is critical because assembling the various elements of the system takes time. For example, when working on a preliminary Performance Management Plan (PMP), some Missions/Offices may discover that data to measure performance is inadequate or unavailable. They may need to establish new plans to collect data that are adequate and available.

b. **Make decisions on the basis of performance data.** USAID Missions/Offices should use performance information to assess progress in achieving results and to make management decisions on improving performance.

c. **Seek participation.** USAID Missions/Offices and AO Teams can strengthen performance management by involving customers, partners, stakeholders, and other USAID and USG entities in the following performance management steps:

(1) Developing PMPs;

(2) Collecting, interpreting, and sharing performance monitoring information and experience;

(3) Jointly defining a critical set of performance indicators;

(4) Jointly reviewing evaluation results;

(5) Jointly planning for dissemination of evaluation results;

(6) Integrating USAID performance management efforts with similar processes of partners; and

(7) Assisting partners to develop their own performance management and evaluation capacity.

Needs for host country or local organization capacity building in this area should be identified at the beginning of a project and adequate funds budgeted.

d. Streamline the process. AO Teams should only collect and report on the information that is most directly useful for performance management. More information is not necessarily better because it markedly increases the management burden and cost to collect and analyze. Where possible, AO Teams should also align their performance information needs with those of their host country counterparts, other donors, and implementing partners. This should lessen the overall data collection burden and help to promote aid effectiveness. AO Teams should ensure that data collection and reporting requirements are included in acquisition and assistance instruments, and that partner reporting schedules provide information at the appropriate times for Agency reporting.

e. Be transparent. USAID Missions/Offices should share information widely and report candidly. Transparency involves (1) communicating any limitations in data quality so that achievements can be honestly assessed; (2) conveying clearly and accurately the problems that impede progress and steps that are being taken to address them; and (3) avoiding the appearance of claiming results achieved jointly with the host country or other development partners as solely USAID or USG results.

203.3.2.3 Budgeting for Performance Management

Effective Date: 09/01/2008

USAID Missions/Offices should include sufficient funding and personnel resources for performance management work, including funds for capacity improvement in host country or local organization partners, in their budgets. Experience has shown that 5 to 10 percent of total program resources should be allocated for this purpose.

Efforts should also be made to keep the performance management system cost-effective. USAID data collection requirements should be integrated in performance management activities and work plans of implementing partners. Integrating USAID and partner efforts reduces the burden on USAID and ensures that partner activities and USAID plans are well-aligned.

If anticipated costs appear prohibitive, AO Teams should consider:

- Revising the data sources and/or collection method for performance indicators, or selecting other performance indicators for which data collection may be less expensive; or

- Modifying the relevant outcome and/or intermediate result statements and corresponding indicators so that progress can be judged at more reasonable costs. (See ADS 201.3.8.2 for a discussion of Results Frameworks, their components, and their relationship to the Foreign Assistance Framework and its Standardized Program Structure);

In some situations, expensive technical analyses or studies, such as the Demographic and Health Surveys (DHS), are vital to managing performance and are important

ingredients of the development activity itself. Where possible, these studies should be coordinated with partners and other donors to ensure cost-sharing.

203.3.3 Performance Management Plans
Effective Date: 09/01/2008

MANDATORY. AO Teams must prepare a complete Performance Management Plan (PMP) for each AO for which they are responsible.

The purpose of this requirement is to establish indicators that will provide accurate baseline data on the initial program or project/activity conditions~~,~~. As the project unfolds, the AO Team can measure the degree of change. While a solicitation instrument may include a preliminary PMP, once the award is executed the project staff must complete the PMP, with relevant indicators and baseline data, within the first few months and before major project implementation actions get underway.

As defined in ADS 200.6, a **Performance Management Plan** is

> A tool to plan and manage the process of monitoring, evaluating, and reporting progress towards achieving an AO.

203.3.3.1 Contents of a Complete Performance Management Plan
Effective Date: 09/01/2008

A PMP should meet the following criteria:

a. State the full set of performance indicators that the AO Team will use to assess AO progress over its life-cycle. The PMP should justify briefly why each performance indicator was selected. "Full set" means that one or more indicators are selected for each result in the Results Framework. The indicators should be chosen with care so that a minimum number of indicators accurately reflect the performance of the result they are intended to track. The set should include any relevant indicator from the *List of Standard Indicators* ***http://inside.usaid.gov/A/F/plan.html*** [Note: this document is only available on the intranet. Please contact ads@usaid.gov if you need a copy.] for the annual Performance Report or for other required USAID reporting, such as the Performance and Accountability Report (PAR) or the Program Assessment Rating Tool (PART).

For more information on how to select performance indicators, see **203.3.4**.

b. Provide baseline values and targeted values for each performance indicator included in the PMP. For more information on setting performance baselines and targets, see **203.3.4.5**.

c. Disaggregate performance indicators by sex wherever possible.

d. Specify the source of the data and the method for data collection. The description of data collection should be operationally specific enough to enable an objective observer to understand how the raw data are collected, compiled, analyzed, and reported. A specific USAID Office, team, or individual should be assigned the responsibility of ensuring that the data are acquired by USAID in time to feed into decision-making and preparation of the annual Performance Report. Data collection methods should be consistent and comparable over time, and any changes should be documented in the PMP. Data collection requirements that could be incorporated into projects and obligation agreements with partner organizations should be identified. AO Teams must ensure that all data used to report performance to Washington meet data quality standards. (See **f** of this section.)

e. Specify the schedule for data collection. Identify what actual time period the data cover, when data will be collected, and a person at USAID who is responsible for the collection and analysis of raw data. Note that whenever possible, data should be collected and reported on U.S. fiscal year basis. For further information on this requirement, see **203.3.8.2**.

f. Describe known data limitations of each performance indicator by discussing any data quality limitations and steps to be taken to address them. AO Teams must ensure that all data used to report performance to Washington meet USAID data quality standards. Data reported to Washington for Government Performance and Results Act (GPRA) reporting purposes or for reporting externally on Agency performance must have had a data quality assessment at some time within the three years before submission. For more information on data quality issues, see **203.3.5**.

g. Describe the data quality assessment procedures that will be used to verify and validate the measured values of actual performance of all the performance information. For information on conducting data quality assessments, see **203.3.5.3**.

h. Estimate the costs of collecting, analyzing, and reporting performance data, and plan how these will be financed.

i. Identify possible evaluation efforts to complement the performance monitoring effort and identify circumstances requiring other special studies. In addition, discuss plans for monitoring critical assumptions and contextual indicators that affect the Results Framework and plans for evaluating the development hypothesis.

j. Include a calendar of performance management tasks that an AO Team will conduct over the expected life of the AO; the calendar should contain an illustrative timeline for the completion of each task. Typical performance management tasks are to:

- Review partner reports;
- Conduct Portfolio Reviews;
- Assess data quality (See **203.3.5**);
- Revise the PMP as needed;
- Prepare the annual Performance Report; and
- Design and conduct evaluations as needed.

203.3.3.2 Format of a Complete PMP
Effective Date: 01/31/2003

There is no standard format for PMPs. USAID Missions/Offices should use a format that best fits their management and communication needs. In most cases, a complete PMP does not exceed 25 pages, and appendices or AO Team files can be used to store any additional information. The following resources provide tools and examples:

- The Additional Help document, **TIPS Number 7, Preparing a PMP**.
- The Additional Help document, **Performance Management Toolkit** provides a step-by-step methodology for developing PMPs, and also provides ready to use worksheets that cover a range of management and communication needs.

203.3.4 Selecting Performance Indicators for PMPs
Effective Date: 01/31/2003

MANDATORY. USAID Missions/Offices must include performance indicators in their PMPs. As defined in **ADS 200.6**, a **performance indicator** is

> A particular characteristic or dimension used to measure intended changes defined by a Results Framework. Performance indicators are used to observe progress and to measure actual results compared to expected results. Performance indicators help answer how or if a USAID Mission/Office or AO Team is progressing towards its objective(s), rather than why such progress is or is not being made. Performance indicators may measure performance at any level of a Results Framework.

203.3.4.1 Types of Performance Indicators
Effective Date: 09/01/2008

a. Quantitative and qualitative indicators. Performance indicators may be quantitative or qualitative. AO Teams should select performance indicators for the PMP that are the most appropriate for the result being measured. For example, the result "non-traditional exports increased" could be measured using the *quantitative* indicator, "dollar value of cut-flowers exported." The result "advocacy by civil society organizations improved" could be measured with a purely *qualitative* approach, such as using a panel of experts to assess performance by examining a set of previously agreed characteristics of "advocacy." In most cases, however, qualitative results can be effectively measured by methods that quantify progress and mitigate subjectivity. Major types of indicators that quantify qualitative results are described below. For more information about the "Characteristics of Good Performance Indicators," see **203.3.4.2.** USAID Missions/Offices should be aware that changes to the questions, scoring, or other procedures of qualitative indicators will decrease their comparability over time. The following examples show the difference between a purely qualitative indicator and qualitative measures that have been quantified:

- **Milestone Indicator:** A type of indicator that measures progress towards a desired outcome by dividing the progress into a series of defined steps. An example of a milestone indicator could come from a policy reform activity, where the first critical milestone may be passage of a law; a second, the establishment of an oversight agency; and a third, the equitable implementation of the policy. Milestones may be used in conjunction with other types of indicators to measure progress towards a result. For additional examples, see the Additional Help document, **TIPS 14, Monitoring the Policy Reform Process**. If a milestone plan will be used, the PMP should provide a clear definition of each step or milestone; criteria for assessing whether the step or the milestone has been achieved; and an expected timeline for when each step will be achieved.

- **Rating Scale:** A measurement device that quantifies a range of subjective responses on a single issue or single dimension of an issue. One example of a rating scale is when survey respondents are asked to provide a quantified response (such as 1 to 5) to a survey question. If AO Teams use rating scales, the PMP should provide a clear definition of how the rating scale will be implemented and how respondents should rank their answers.

- **Index:** A type of indicator that combines two or more data sources into a single measure. Indices can be useful ways to represent multiple dimensions of progress if they have been carefully developed and tested, but the final index value may be difficult to interpret and year-on-year

changes may be minimal. Examples of commonly reported indices include couple years of protection (CYP) in population programs, the Corruption Perceptions Index, the Index of Economic Freedom, and the AIDS Program Effort Index (API). For additional examples, see the Additional Help documents, **TIPS 15, Measuring Institutional Capacity** and **TIPS 15 Annex, Measuring Institutional Capacity (Annexes)**. If an AO Team develops its own index, the methodology and procedures for data collections and interpretation must be included in the PMP.

b. Contextual indicators. Contextual indicators measure the environment within which each AO is implemented, at the outcome or impact level. Examples include a country's gross domestic product (GDP), inflation, and HIV seroprevalence rates, which are usually beyond the management control of an AO Team. USAID Mission/Offices may use contextual indicators in their PMPs to illustrate and track the development environment of a country, sector, or AO, not to describe the effects or impacts of USAID activities. For reporting at the Functional Objective and Program Area levels, USAID maintains a list of indicators collected through third party sources. The trend data for these indicators is accessible through USAID's Economic and Social Database.

c. "Standard" and "custom" indicators. These indicators, used in the annual joint State/USAID Operational Plans and Performance Reports, are discussed in **203.3.8.3**. USAID Missions/Offices are encouraged to use standard indicators to the extent they are useful for performance management purposes.

203.3.4.2 Characteristics of Good Performance Indicators

Effective Date: 09/01/2008

When choosing performance indicators, AO Teams should consider questions for each result and year of the AO, such as:

- What will be different as a result of these USAID projects and activities?
- How will we be able to recognize the desired difference?
- What will be different at the end of the current year?

AO Teams should also remember that performance indicators merely "indicate" how an AO is performing and do not necessarily tell the full story. Just because one indicator shows strong performance does not always mean the entire AO is on track. The intended AO should drive the selection of indicators, not the other way around.

When selecting PMP performance indicators, AO Teams should use the seven criteria below (abbreviated OPUDATA). It may be difficult or unrealistic to select performance indicators that meet all criteria. AO Teams should be aware of the tradeoffs between the criteria and should use the PMP to document the limitations of an indicator and the

rationale for selecting the indicator. Note that these criteria apply to both quantitative and qualitative performance indicators. For an explanation of qualitative and quantitative custom performance indicators, see **203.3.4.1**.

a. **Objective.** Performance indicators should be unambiguous about what is being measured. Performance indicators should be unidimensional (should measure only one aspect at a time). Performance indicators should also be precisely defined in the PMP. If an indicator is expressed as a proportion or percentage, for example, what is included in the numerator and the denominator should be stated precisely, in addition to the indicator name or label. To ensure that indicators (especially qualitative indicators) are comparable over time, USAID Missions/Offices should clearly define and document the indicators to permit regular, systematic, and relatively objective judgment regarding their change in value or status.

b. **Practical.** USAID Missions/Offices should select performance indicators for which data can be obtained at reasonable cost and in a reasonable time.

c. **Useful for management.** Performance indicators selected for inclusion in the PMP should be useful for the relevant level of decision-making. Where possible, it is efficient to use standard indicators from State/F's *List of Standard Indicators* to do double-duty for country-level program management as well as for program reporting to Washington.

d. **Direct.** Performance indicators should closely track the results they are intended to measure. If a direct indicator cannot be used because of cost or other factors, a **proxy indicator** (an indirect measure of the result that is related by one or more assumptions) may be used to measure the result. (For example, a proxy measure of household income might be the number of TV antennas or tin roofs in a given geographical area; the assumption is that an increase in household income will be associated with increased expenditure on televisions or tin roofing.) If USAID Missions/Offices use proxy indicators, the assumptions supporting the selection of the proxy should be documented in the PMP and confirmed on a regular basis.

e. **Attributable to USAID/USG efforts.** Performance indicators selected for inclusion in the PMP should measure changes that are clearly and reasonably attributable to USAID (or USG, as appropriate) efforts. In the context of performance indicators and reporting, attribution exists when the outputs of USAID-financed activities have a logical and causal effect on the result(s) being measured by a given performance indicator. One way to assess attribution is to ask, "If there had been no USAID project or activity, would the measured change have been different?" If the answer is "no," then there likely is an attribution issue, and the AO Team should look for a more suitable performance indicator. If more than one agency or government is involved in achieving a result, USAID

Missions/Offices should describe exactly what role each played in achieving the result.

f. **Timely.** Performance indicators should be available when they are needed to make decisions. Experience suggests that the information needed for managing activities and projects (tracking inputs and outputs) should be available on a quarterly basis. Results-level indicators may not be available more frequently than once a year. Data that are available after a delay of a year or more may be difficult to use. For information on reporting performance on the USG fiscal year versus calendar year, see **203.3.8.2**. If a performance indicator is not available every year (such as data from the Demographic and Health Survey), the schedule should be noted as a data limitation. The USAID Mission/Office should also select other performance indicators, direct or proxy, which reflect AO performance and are available more regularly. For more information about proxy indicators, see section (a) above.

g. **Adequate.** AO Teams should have as many indicators in their PMP as are necessary and cost effective for results management and reporting purposes. In most cases, two or three indicators per result should be sufficient to assess performance. In the rare instance, when a result is narrowly defined, a single indicator may be adequate. Additionally, too many indicators may be worse than too few, because all performance indicators require resources and effort to collect, analyze, report, and use.

Additional Help Resources. A worksheet based on these criteria is available in the Additional Help document, **Performance Management Toolkit, Worksheet 5**. For information on selecting performance indicators, see the Additional Help document, **TIPS Number 6, Selecting Performance Indicators**.

*203.3.4.3 Reflecting Gender Issues in Performance Indicators

Effective Date: 11/05/2009

Men and women have different access to development programs and are affected differently by USAID activities. USAID seeks to understand these differences to improve the efficiency and overall impact of its programs so that both women and men have equitable access to development activities and their benefits.

***MANDATORY**. In order to ensure that USAID assistance makes the optimal contribution to gender equality, performance management systems and evaluations must include gender-sensitive indicators and sex-disaggregated data when the technical analyses supporting an AO, project, or activity demonstrates that

a. The different roles and status of women and men within the community, political sphere, workplace, and household (for example, roles in decision-making and different access to and control over resources and services) affect the activities to be undertaken; and

b. The anticipated results of the work would affect women and men differently.

*Gender-sensitive indicators would include information collected from samples of beneficiaries using qualitative and quantitative methodologies or an examination of the project impact on national, regional, or local policies, programs, and practices that affect men and women.

*Programs often affect men and women differently, and AO Teams should look for unintended consequences that may need to be addressed over the course of the project. For technical assistance and additional guidance, consult the USAID Mission/Office or Bureau gender specialist or the Office of Women in Development (WID) in the Bureau for Economic Growth, Agriculture, and Trade (EGAT). (See also, Guide to Gender Integration and Analysis)

203.3.4.4 Additional Reporting Requirements
Effective Date: 09/01/2008

Washington may have additional reporting requirements for some USAID Missions/Offices. Such requirements will be communicated through formal channels, such as the annual guidance for the joint Operational Plan and the joint Performance Report.

203.3.4.5 Setting Performance Baselines and Targets
Effective Date: 09/01/2008

For each indicator in a PMP, the AO Team should include performance baselines and set performance targets that are ambitious, but can realistically be achieved within the stated timeframe and with the available resources. As defined in ADS 200.6, a **performance baseline** is:

> The value of a performance indicator before the implementation of USAID-supported projects or activities that contribute to the achievement of the relevant result.

Baseline values should be measured using the same data collection source and method that will be used to collect actual performance data. If baseline data cannot be collected until later in the course of an AO, the AO Team should document when and how the baseline data will be collected.

As defined in ADS 200.6, a **performance target** is the:

> Specific, planned level of result to be achieved within an explicit timeframe.

AO Teams should set targets for the end of the AO time period and may set targets for the interim years in between. (Yearly targets are generally required for the standard

indicators selected for the annual joint Operational Plan and the joint Performance Report).
Targets should be ambitious, but achievable given USAID (and other donor) inputs. AO Teams should be willing to be held accountable for achieving their targets. On the other hand, targets that are set too low are also not useful for management and reporting purposes. AO Teams should plan ahead for the analysis and interpretation of actual performance data against the performance targets.

203.3.4.6 Updating PMPs
Effective Date: 01/31/2003

Usually, as part of the USAID Mission/Office's Annual Portfolio Review process, AO Teams should update PMPs regularly with new performance information as AOs develop and evolve.

203.3.4.7 Changing Performance Indicators
Effective Date: 09/01/2008

During project implementation, AO Teams may change or drop PMP performance indicators if the indicators prove to be unsuitable, for example, if the effort and cost needed to collect them become excessive. Indicators may also be added as more insights are learned about project dynamics during implementation and more appropriate indicators are identified. AO Teams should note that changing performance indicators frequently reduces the comparability of performance data over time and weakens performance management and reporting efforts. This is a particularly critical issue for indicators at the AO or outcome level.

It should be clear that the caution about changing indicators refers to indicators for both outputs and successive levels of results at the IR or AO level. As explained in **203.3.2.1** and illustrated in Figure 203A, it is expected that over the life-cycle of a project, different types of indicators will be more informative at different times: in the early stages, output indicators will be the primary source of performance information, while at later stages outcome and impact indicators will be more important. The full set of indicators should be specified at the outset, and even indicators that are subsequently dropped–because they are unsatisfactory or no longer used because their targets have been met–should be retained for reference in PMP records.

Because USAID Missions/Offices generally have the authority to approve changes to PMP performance indicators, AO Teams are responsible for documenting these changes while updating their PMPs. At the project level, the CTO documents and approves changes to the PMP, with appropriate input from AO Team members and project staff. The AO Team should note the reason(s) for the change, along with final values for all old indicators and baseline values for any new indicators.

Exception. USAID Missions/Offices must consult with the Bureau of Global Health before making changes to any HIV/AIDS or malaria program performance indicators. The annual Performance Report guidance may provide additional instructions on

indicators that are used for the Agency's Annual Performance Plan and Annual Performance Report or the Congressional Budget Justification.

203.3.5 Data Quality

Effective Date: 01/31/2003

There is always a trade-off between the cost and the quality of data. USAID Missions/Offices and AO Teams should balance these two factors to ensure that the data used are of sufficiently high quality to support the appropriate level of management decisions. Performance data should be as complete and consistent as management needs and resources permit.

203.3.5.1 Data Quality Standards

Effective Date: 01/31/2003

To be useful in managing for results and credible for reporting, USAID Mission/Offices and AO Teams should ensure that the performance data in the PMP for each AO meet five data quality standards (abbreviated VIPRT). In some cases, performance data will not fully meet all five standards, and the known data limitations should be documented.

Note that the same data quality standards cover quantitative and qualitative performance data.

a. Validity . Data should clearly and adequately represent the intended result. While proxy data may be used, the AO Team must consider how well the data measure the intended result. Another key issue is whether data reflect a bias such as interviewer bias, unrepresentative sampling, or transcription bias.

b. Integrity . Data that are collected, analyzed, and reported should have established mechanisms in place to reduce the possibility that they are intentionally manipulated for political or personal reasons. Data integrity is at greatest risk of being compromised during data collection and analysis.

c. Precision. Data should be sufficiently precise to present a fair picture of performance and enable management decision-making at the appropriate levels. One key issue is whether data are at an appropriate level of detail to influence related management decisions. A second key issue is what margin of error (the amount of variation normally expected from a given data collection process) is acceptable given the management decisions likely to be affected. In all cases, the margin of error should be less than the intended change; if the margin of error is 10 percent and the data show a change of 5 percent, the USAID Mission/Office will have difficulty determining whether the change was due to the USAID activity or due to variation in the data collection process. USAID Missions/Offices should be aware that improving the precision of data usually increases the cost of collection and analysis.

d. Reliability . Data should reflect stable and consistent data collection processes and analysis methods from over time. The key issue is whether

different analysts would come to the same conclusions if the data collection and analysis processes were repeated. USAID Missions/Offices should be confident that progress toward performance targets reflects real changes rather than variations in data collection methods. When data collection and analysis methods change, the PMP should be updated.

e. Timeliness. Data should be timely enough to influence management decision-making at the appropriate levels. One key issue is whether the data are available frequently enough to influence the appropriate level of management decisions. A second key issue is whether data are current enough when they become available.

For further discussion, see USAID Information Quality Guidelines and related material on the Information Quality Act in ADS 578 and at www.usaid.gov/about/info_quality.

203.3.5.2 Purpose of Data Quality Assessments
Effective Date: 09/01/2008

The purpose of a data quality assessment is to ensure that the USAID Mission/Office and AO Team are aware of the strengths and weaknesses of the data, as determined by applying the five data quality standards provided in **203.3.5.1**, and are aware of the extent to which the data integrity can be trusted to influence management decisions.

MANDATORY: Data reported to Washington for Government Performance and Results Act (GPRA) reporting purposes or for reporting externally on Agency performance must have had a data quality assessment at some time within the three years before submission. For more information, see **203.3.8.3**. USAID Missions/Offices may choose to conduct data quality assessments more frequently if needed. USAID Missions/Offices are not required to conduct data quality assessments for data that are not reported to USAID/Washington. Managers are not required to do data quality assessments on all performance indicators that they use. However, managers should be aware of the strengths and weaknesses of all indicators.

203.3.5.3 Conducting Data Quality Assessments
Effective Date: 09/01/2008

USAID Missions/Offices collect data from a variety of sources, some of which are more reliable than others. The rigor of data quality assessments depends on the kind of source and the level of control that USAID has over the data. For all sources, the process described in **point a** below should be followed. Additional considerations depending on the source of data are discussed in **points b and c** below.

a. General guidance for USAID Mission/Office data quality assessments.

- Verify that data are of reasonable quality, based on the five data quality standards provided in **203.3.5.1**. Note that the same data quality standards cover quantitative and qualitative performance data.

- Review data collection, maintenance, and processing procedures to ensure that the procedures are consistently applied and continue to be adequate. Identify areas for improvement if possible.

- Retain documentation of the assessment in the AO Team's performance management files and update the information within three years. Documentation should describe whether the five data quality standards have been met for relevant indicators and can be captured in a memorandum.

b. Quality assessments of data from implementing partners and secondary data sources. When AO Teams conduct assessments of quality of data from secondary sources (including implementing partners, government counterparts, and international agencies), they should focus the data quality assessment on the apparent accuracy and consistency of the data. In many cases, the data are not under USAID control and the USAID Mission/Office, therefore, may not have the right to audit or investigate the quality of data in depth. Ways to conduct the assessment are described below.

- In many cases, AO Teams can compare central office records and the records kept at a field site(s). AO Teams should consider visiting a broad range of sites; the point is to assess whether reports accurately reflect what occurs in the field. Note that requests for proposals for contracts, cooperative agreements, and grants should usually include standards for data quality in the reporting requirements.

- If the secondary data come from periodic reports or service statistics, the AO Team should review the data to ensure that what is being reported is accurate. The AO team can conduct regular meetings with other development partners to gain an appreciation of how accurate the data are and how much credence can be placed in the figures cited. The AO Team can request a briefing on the data collection and analysis procedures, including procedures to reduce error.

- If an AO Team provides technical assistance to a government ministry to improve data collection and analysis, the team may be in a good position to assess the quality of the data.

- The data quality assessment findings should be documented in a memo to the file.

c. Additional considerations for conducting quality assessments of data collected directly by USAID (primary data). When AO Teams collect primary data on their own or through independent entities contracted by USAID for this purpose, the data quality assessment should focus on the written procedures and training for crosschecking data. AO Teams should consult experts in data collection methodology to avoid some of the more common pitfalls.

If an AO team contracts a specific organization to collect data, the team should ensure that the organization has the technical capacity to collect data of appropriate quality, as evidenced by the following:

- Written procedures are in place for data collection;
- Data are collected from year to year using a consistent collection process;
- Data are collected using methods to address and minimize sampling and non-sampling errors;
- Data are collected by qualified personnel and personnel are properly supervised;
- Duplicate data are detected;
- Safeguards are in place to prevent unauthorized changes to the data; and
- Source documents are maintained and readily available.

The AO team should include data quality requirements in any Statement of Work (SOW), Request for Proposal (RFP), or Request for Application (RFA). The AO team should also maintain communication with the implementation partners to spot check that quality assurance mechanisms are being used. (Note that if an AO team procures these services from a centrally managed contract, the central office managing the contract should ensure that the contractor establishes and maintains quality control over its data collection and analysis.)

203.3.6 Evaluation

Effective Date: 09/01/2008

As defined in ADS 200.6

Evaluation is the systematic collection of information about the characteristics and outcomes of AO, projects, or activities in order to make judgments, improve effectiveness, and/or inform decisions about current and future programming.

An evaluation is an analytical effort undertaken to answer specific program management questions. It provides a systematic way to gain insights and reach conclusions about the effectiveness of specific activities, validity of a development hypothesis, utility of performance monitoring efforts, factors in the development context that may have an impact on the achievement of results, and the types of actions that need to be taken to improve performance.

Such insights and conclusions can provide a clearer context within which to interpret other AO information (such as data from performance indicators) and help the AO team manage towards achieving results. Evaluations should be rigorous and they must be submitted to USAID's central document repository (see the Additional Help document, **TIPS Number 11, The Role of Evaluation in USAID**, the **EvalWeb** Web site, and **203.3.12)**

*203.3.6.1 When Is an Evaluation Appropriate?

Effective Date: 11/5/2009

MANDATORY: AO Teams must conduct at least one evaluation aimed at understanding progress or lack thereof and the types of actions that need to be taken to improve performance during the life of each AO. In the course of implementing an AO, the following situations could serve as triggers for an evaluation:

- A key management decision is required, but there is inadequate information to make it;
- *Performance information indicates an unexpected result (positive or negative) that should be explained, such as unanticipated results affecting either men or women (Refer to gender analysis conducted per **ADS 201.3.9.3**);
- Customer, partner, or other informed feedback suggests that there are implementation problems, unmet needs, or unintended consequences or impacts;
- Issues of sustainability, cost-effectiveness, or relevance arise;
- The validity of Results Framework hypotheses or critical assumptions is questioned; for example, due to unanticipated changes in the host country environment; or
- Periodic Portfolio Reviews have identified key questions that need to be answered or that require consensus.

In the absence of the triggers listed above, an AO evaluation should be conducted towards the end of AO implementation. Such an evaluation should examine the intended and unintended consequences of the program and document lessons that can

be shared throughout the Agency to improve development learning and future programming.

USAID Missions/Offices should give careful consideration to the potential benefits of conducting final or impact evaluations for all AOs, even if an evaluation has already been conducted.

Evaluations support USAID's ability to improve the effectiveness of development programming and should normally be conducted for each AO. However, if a USAID Mission or Office is facing exceptional circumstances, it may request an exception from this requirement. Such requests should be submitted to the Office of Management Policy, Budget, and Performance's evaluation unit.

*203.3.6.2 Planning Evaluations

Effective Date: 11/5/2009

The scope of an evaluation will vary according to available management information needs and resources. Evaluations may be conducted by specially contracted external experts, AO team members, other knowledgeable members of a USG Operating Unit, or partner organizations.

AO Teams should be actively involved in evaluation planning to ensure the final product is useful. Stakeholders should be consulted to assist in prioritizing the evaluation questions. Evaluations may directly involve ultimate customers in data collection and analysis. Regardless of an evaluation's scope, the planning process should involve the following steps:

- Clarify the evaluation purpose (including what will be evaluated, who wants the information, what they want to know, and how the information will be used);
- State the development hypothesis that underlies the program;
- Identify a small number of key questions and specific issues answerable with empirical evidence;
- Consider asking staff at the Office of the Chief Information Officer, Knowledge Management Division and its Knowledge Services Center (M/OCIO/KM/KSC, formerly USAID Library) to provide past experience on similar USAID and external evaluation reports. (Research requests may be sent to the Knowledge Services Center at KSC@usaid.gov.)
- Select evaluation methods that reflect the timeframe of the exercise, and the skill sets of available evaluation team members, as provided in **203.3.6.4**;
- Plan for data collection and analysis, including gender issues, as provided in **203.3.4.3**;

- Form an evaluation team with the necessary skills and composition; and
- Plan procedures (including schedule, logistics, reporting needs, and budget).

203.3.6.3 Statement of Work

Effective Date: 09/01/2008

If an evaluation will be contracted out to an external entity, a statement of work will be needed that provides the framework for the evaluation and communicates the research questions. The Contracting Officer may have to place restrictions on an evaluation contractor's future work. For more information, see the Web site of the USAID Office of Acquisition and Assistance, available at **http://inside.usaid.gov/M/AA** (accessible only within the USAID firewall) or **http://www.usaid.gov/business**, and the Mandatory Reference, **Contract Information Bulletin (CIB) 99-17**.

A well-written statement of work should:

- Identify the activity, project, or approach to be evaluated;
- Provide a brief background on the development hypothesis and its implementation;
- Identify existing performance information sources, with special attention to monitoring data;
- State the purpose of, audience for, and use of the evaluation;
- Clarify the evaluation question(s);
- Identify the evaluation method(s);
- Specify the deliverable(s) and the timeline;
- Discuss evaluation team composition (one team member should be an evaluation specialist) and participation of customers and partners;
- Cover procedures such as scheduling and logistics;
- Clarify requirements for reporting and dissemination; and
- Include a budget.

For more information, see the Additional Help document, **TIPS Number 3, Preparing an Evaluation Scope of Work**.

203.3.6.4 Evaluation Methodologies
Effective Date: 09/01/2008

There is no standardized methodology for evaluations of USAID programs. The type of evaluation should be determined by the questions to be answered. Depending on the scope, purpose, and key questions of the evaluation, the design and the types of methodology used may be relatively simple or more complex. Before settling on any particular method, evaluators should determine the extent and quality of existing data sources and potential biases. For example, the objectivity of an implementing partner evaluating its own activities should be taken into consideration.

Methods of data collection include:

- Group interviews.
- Focus groups, as described in the Additional Help document, **TIPS Number 10, Conducting Focus Group Interviews**.
- Surveys.
- Key informant interviews, as described in the Additional Help document, **TIPS Number 2, Conducting Key Informant Interviews**.
- Direct observation techniques, as described in the Additional Help document, **TIPS Number 4, Using Direct Observation Techniques**.
- Rapid appraisal techniques. Rapid appraisal type evaluations can be conducted during short periods of a week or two and can provide very timely, inexpensive information sufficient for many management needs. Rapid appraisals employ such data collection techniques as group interviews, focus group discussions, informal surveys, direct observation, key information interviews, and participatory appraisal methods. For more information, see the Additional Help document, **TIPS Number 5, Using Rapid Appraisal Methods**.
- Participatory appraisal methods, which may be used to engage ultimate customers directly in the evaluation process. For more information, see the Additional Help document, **TIPS Number 1, Conducting a Participatory Evaluation**.

These methods will generate qualitative and/or quantitative data that require specific types of data analyses. USAID Missions/Offices are encouraged to be as rigorous as possible in the evaluation data collection and analysis, regardless of the methodology.

A number of tasks involved in all evaluations – measuring outcomes, ensuring the consistency and quality of data collected, establishing the causal connection between activities and outcomes, and identifying the influence of extraneous factors – raise technical or logistical problems that may not be easy to resolve. Therefore, when

selecting among evaluation methods, USAID Missions/Offices and AO Teams should consider issues such as: the nature of the information, analysis, or feedback needed; cost-effectiveness; cultural considerations; the timeframe of the management need for information; time and resources available; and the level of accuracy required. Such careful consideration will help to minimize unexpected technical or logistical problems.

If the purpose of the evaluation is to establish the impact of an AO program and if there are sufficient resources (funding, time, and technical expertise), more complex evaluation designs involving randomized techniques–where different population groups receive different services–may be used. Randomization is best established at the beginning of an AO program as it may be difficult to define "pure" control groups after project implementation has begun. Two factors should be considered before embarking on this type of evaluation: (1) the ethical ramifications of the use of such designs, which may involve limiting the provision of services to customers and (2) the need for a particularly high standard of data quality in order to maintain the integrity of the evaluation design.

203.3.6.5 Participation in Evaluations

Effective Date: 09/01/2008

USAID Missions/Offices are strongly encouraged to include customers and partners (implementing partners, alliance partners, host-country government partners, and so forth) in planning and conducting evaluations, and to include USAID staff and other knowledgeable members of a USG Mission/Office directly when conducting evaluations in order to maximize Agency learning. USAID Mission/Offices are strongly encouraged to use more collaborative and participatory approaches to evaluation. (See the Additional Help document, **TIPS Number 11, The Role of Evaluation in USAID** to ascertain the strengths and limitations of each type.)

Figure 203B: Types of Evaluations and Who Conducts Them

Type of Evaluation	Conducted By
Internal or Self-Evaluations	USAID AO team or partner implementing the activity being assessed.
External Evaluations	Outside organizations or experts not directly associated with the AO, project, or activity.
Collaborative Evaluations	More than one agency or partner in joint collaboration.
Participatory	Multiple stakeholders. Representatives of customers, partners, sponsoring donor agencies, and other stakeholders participate actively in all phases of the evaluation, including planning, data collection, analysis, reporting, dissemination, and follow-up activities.

203.3.6.6 Documenting Evaluations
Effective Date: 01/31/2003

USAID Missions/Offices should maintain appropriate documentation at the conclusion of any evaluation. The nature of the documentation will vary depending on the formality, importance, scope, and resources committed to the evaluation. At a minimum, documentation should highlight

- Scope and methodology used;
- Important findings (empirical facts collected by evaluators);
- Conclusions (evaluators' interpretations and judgments based on the findings);
- Recommendations (proposed actions for management based on the conclusions); and
- Lessons learned (implications for future designs and for others to incorporate into similar programs in other locations).

Evaluation reports should be readily understood and should identify key points clearly, distinctly, and succinctly. All reports should include an executive summary that presents a concise and accurate statement of the most critical elements of the report.

203.3.6.7 Responding to Evaluation Findings
Effective Date: 01/31/2003

USAID Missions/Offices and AO Teams should address findings and recommendations of evaluations that relate to their specific activities and AOs. To help ensure that institutional learning takes place, AO Teams should take the following basic steps upon completion of the evaluation:

- Meet with the evaluation team to debrief and discuss results or findings.
- Review the key findings, conclusions, and recommendations systematically.
- Determine whether the team accepts/supports each finding, conclusion, or recommendation.
- Identify any management or program actions needed and assign responsibility and the timeline for completion of each set of actions.
- Determine whether any revision is necessary in the joint country assistance strategy or USAID country strategic plan, AO, or project, using all available information.

- Share and openly discuss evaluation findings, conclusions, and recommendations with relevant customers, partners, other donors, and stakeholders, unless there are unusual and compelling reasons not to do so. In many cases, the USAID Mission/Office should arrange the translation of the executive summary into the local written language.

203.3.6.8 Sharing Evaluations to Enhance Agency Learning
Effective Date: 01/31/2003

MANDATORY. As provided in **203.3.12**, evaluation reports must be provided to the Development Experience Clearinghouse (DEC, dec.usaid.gov), where they will be accessible for use in planning and assessing other programs. If the evaluation was not "finalized," the USAID Mission/Office should submit the last draft it received. If appropriate and useful, the USAID Mission/Office may also submit the response (if any) of the AO team, USAID Mission/Office, or counterpart agency.

203.3.7 Portfolio Reviews
Effective Date: 01/31/2003

MANDATORY. USAID Missions/Offices must conduct at least one Portfolio Review each year that covers all activities included in their various programs.

As defined in ADS 200.6, a **Portfolio Review** is:

> A periodic review of all aspects of a USAID Mission/Office's AOs, projects, and activities, often held prior to preparing the annual joint Operational Plan.

A Portfolio Review examines strategic and operational issues and determines whether USAID-supported activities are leading to the results outlined in the approved Results Framework. The Portfolio Review should bring together various expertise and points of view to determine whether the AO is "on track" or if new actions are needed to improve the chances of achieving results. Portfolio Reviews should lead to management decisions about the implementation of the AO and feed back into planning and achieving processes. If a USAID Mission/Office identifies significant deficiencies or problems during the Portfolio Review, it may need to alter, increase, or discontinue activities and rethink the logic behind the original expectations.

There is no single prescribed structure or process for conducting Portfolio Reviews. USAID Missions/Offices may define standard procedures that are judged useful for their program. Many USAID Missions/Offices find it particularly useful to conduct a Portfolio Review prior to preparing the annual joint Operational Plan. USAID Missions/Offices may conduct a Portfolio Review as a single event or may break the Portfolio Review into several parts conducted at different times of year. In most cases, designated staff should analyze a variety of program-related information and prepare issues for discussion in a larger group forum that includes members of the AO team, the broader USAID Mission/Office, and other knowledgeable members of the USG Operating Unit

as appropriate. AO Teams should maintain the documents produced for Portfolio Reviews, including summaries of issues discussed and decisions made, as part of the team files, as provided in ADS 202.3.4.6.

203.3.7.1 Issues to Address During a Portfolio Review

Effective Date: 01/31/2003

USAID Missions/Offices and AO Teams should examine the following items as part of their Portfolio Review process:

- Progress towards achievement of the AO during the past year and expectations regarding future progress;
- Evidence that projects/activities are adequately supporting the relevant Intermediate Result(s) (IRs) and ultimately contributing to the achievement of the AO;
- Adequacy of inputs for producing planned outputs;
- Adequacy of the performance indicators selected in the PMP;
- Status and timeliness of input mobilization (such as receipt of new funding, procurement processes, agreement negotiations, and staff deployments);
- Progress on the Annual Procurement Plan, as provided in ADS 201.3.11.11 and ADS Series 300;
- Status of critical assumptions and causal relationships defined in the Results Framework, along with the related implications for performance;
- Status of cross-cutting themes and/or synergies between AOs;
- Status of related partner efforts that contribute to the achievement of IRs and AOs;
- Pipeline levels and future resource requirements, compliance with forward funding guidance, or any need for de-obligation;
- AO team effectiveness and adequacy of staffing; and
- Vulnerability issues, related corrective efforts, and their costs.

203.3.7.2 Illustrative Questions for Portfolio Review

Effective Date: 03/19/2004

The following figures (Figures 203C, 203D, and 203E) provide illustrative questions that may be used to plan and conduct Portfolio Reviews. Other questions may be relevant and useful to address.

Figure 203C, Illustrative Program and Project-Level Issues to Address During Portfolio Reviews

Areas of Concern	Suggested Questions
Results (AO or outcome and impact level)	▪ Are the desired results being achieved? ▪ Are the results within USAID's manageable interest? ▪ Will planned targets be met? ▪ Is the performance management system in place adequate to capture data on the achievement of results?
Outputs	▪ Are planned outputs being completed on schedule? ▪ Are the outputs leading to the achievement of the desired results as anticipated?
Inputs	▪ Are the necessary inputs being provided on schedule by USAID and/or its customers/partners? ▪ Are inputs relevant and effective in producing the desired outputs? ▪ Are funding pipelines adequate to finance activities until new funds become available for obligation? ▪ If there are significant differences between planned and actual expenditures, do they point to potentially problematic delays or cost overruns? ▪ Is de-obligation of funds needed at this time?
Successes	▪ Are there significant outputs or results to report? ▪ Is the program accomplishing expected outputs ahead of schedule? ▪ Have additional resources been leveraged? ▪ Have program synergies been found with other donor or USAID activities?
Development Hypothesis	▪ Has the logic identified in the development hypothesis in the Results Framework been found to hold true? ▪ If not, what adjustments, if any, are needed to the approach?
Critical Assumptions Inherent in Results Framework	▪ Do the assumptions stated in the Results Framework still hold true? ▪ If not, what effect does this have on the AO and its expected results?
Non-USAID Circumstances	▪ Are there situations or circumstances beyond USAID control and influence, other than the identified critical assumptions, affecting USAID activities? ▪ If so, what are they, and what are the effects on USAID activities?
Interface between Tactics and Strategy	▪ At the current rate of progress, is USAID on track to achieve the results that have been targeted in the future? ▪ Have significant problems or issues been identified in their early stages in order to take corrective action, or are they dealt with after major problems have occurred?
Lessons Learned	▪ Have important lessons emerged during implementation that should be shared within the USAID operating unit or Agency-wide?

*An asterisk indicates that the adjacent material is new or revised.

Figure 203D, Illustrative Process Issues to Address During Portfolio Reviews

Areas of Concern	Suggested Questions
Indicators and Targets	▪ Are the performance indicators appropriate for management needs? ▪ Are the established indicators being monitored regularly? ▪ Will USAID be able to attribute progress in the indicator to USAID? ▪ Were the set targets realistic? ▪ If not, what targets are more appropriate? ▪ Do performance data meet quality standards for reporting?
Evaluations	▪ Have any evaluations been completed to fill performance information gaps? ▪ Is the information from prior evaluations informing decisions and action on relevant activities? ▪ Are new evaluations needed to influence future decisions?
Teamwork	▪ Do team members have clear roles and responsibilities and adequate authority for implementing activities? ▪ Is the team receiving adequate support from other organizational units? ▪ Is the team regularly involving non-USAID members in information sharing and decision-making? ▪ Is staffing of the team adequate? ▪ Are any changes to roles or new team members needed? ▪ Are sub-teams (if there are any) functioning adequately?
Customer/Partner Perceptions	▪ Are customer/partner expectations and needs being regularly assessed? ▪ Are customers/partners involved in the performance management and assessing effort? ▪ Are gender concerns being addressed, and are there new gender issues that the AO Team needs to take into account? ▪ What opportunities do customers have to obtain information and to provide ongoing feedback to USAID on priorities and activity implementation? ▪ Are faith-based and community organizations and/or leaders participating?

Figure 203E, Illustrative Vulnerability Issues to Address During Portfolio Reviews

Areas of Concern	Suggested Questions
Financial Vulnerability	▪ Do recipient institutions meet financial management and accountability standards? ▪ Are the funds received from USAID being handled properly? ▪ Are previously identified financial problem areas being corrected?
Other Vulnerability	▪ Are activities in compliance with any applicable legal or legislative restrictions? ▪ Are potential conflict of interest or procurement integrity issues being adequately managed? ▪ Are activities in compliance with the environmental impact mitigation provisions of the 22 CFR 216 environmental determinations, as provided in ADS 204 and 201.3.12.2b?
Audit Readiness	▪ Have Data Quality Assessments been conducted on all indicators reported to Washington? ▪ Are filing systems and documentation adequate to establish an audit trail?

*An asterisk indicates that the adjacent material is new or revised.

	▪ Are approval authorities and procedures clear and being followed? ▪ Has the necessary post-obligation documentation been developed (for example, financial and substantive tracking)? ▪ Do the performance data and reported information represent real progress?

203.3.7.3 Documenting a Portfolio Review
Effective Date: 09/01/2008

USAID Missions/Offices should fully document the issues raised, the conclusions reached, and the next steps that the Portfolio Review recommended. The subsequent Portfolio Review should review the previous reviews and determine whether the recommendations were implemented and with what effect. Portfolio Review documentation may also assist USAID Missions/Offices in preparing for Intensive Program Reviews, as provided in **203.3.10**.

203.3.8 Operating Unit Annual Operational Plan and Annual Performance Report
Effective Date: 09/01/2008

MANDATORY: Each USAID Mission/Office in the field must prepare a yearly Operational Plan and a yearly Performance Report in collaboration with other USG agencies and under the authority of the U.S. Ambassador. Washington-based USAID Offices also prepare these reports.

As defined in ADS 200.6,

> An Operational Plan provides the implementation plan for foreign assistance funding for a specific fiscal year. It identifies where, and on what, programs funds will be spent, which USG agencies will manage the funds, and who will implement the programs. A primary objective of the Operational Plan is to ensure coordinated, efficient, and effective use of all USG foreign assistance resources in support of the transformational diplomacy goal and related foreign policy priorities.
>
> The Performance Plan and Report documents USG foreign assistance results achieved over the past fiscal year and sets targets against standard and custom indicators for the next two fiscal years.

State/F drafts yearly guidance for the Operational Plan and the Performance Plan and Performance Report, soliciting input from USAID and other concerned agencies and determines the submission schedule for these documents, which may be due at different times. For additional information on the Operational Plan, and the Foreign Assistance Framework/Standardized Program Structure Definitions, see ADS 200.3.1.4.

203.3.8.1 Purpose of the Performance Report
Effective Date: 09/01/2008

The purpose of the Performance Report is to capture the results that have been achieved in each Operating Unit by the end of each fiscal year. Information from this report will be used in Agency-level documents, such as the annual performance plan and annual financial report, as well as by technical specialists at both State and USAID, as they examine past performance to assess future plans and establish future year budgets.

Conflicting guidance. Each year, State/F will issue mandatory guidance that provides specific information and instructions for compiling the Operational Plan and the Performance Plan and Performance Report for that reporting year. In the event that such guidance differs from the provisions of 203.3.8, USAID will issue an ADS Interim Update providing clarification and additional information.

203.3.8.2 Performance Report and Reporting Year
Effective Date: 09/01/2008

USAID Missions/Offices should use the U.S. fiscal year (October through September) for all reporting purposes. If data are available on a quarterly basis from partners, host countries, or other agencies, the annual figures must be recalculated to reflect the U.S. fiscal year. If performance data are not available on a quarterly basis and also are not available on the U.S. fiscal year, the local fiscal year or calendar year may be used, but should be reported in the "data limitations" as not conforming to the U.S. fiscal year. If point data are used (such as Demographic and Health or other survey data), the date of the survey must be provided. These data must be reported in the fiscal year when the findings were first available, not the date of the survey itself.

203.3.8.3 Performance Report Indicators
Effective Date: 09/01/2008

State/F maintains a list of standard indicators for use in planning and reporting through the joint Operational Plan and the joint Performance Report. These are primarily output indicators, defined at the Program Element level of the Foreign Assistance Framework, though a limited number of outcome indicators are included as well. These standard indicators facilitate the aggregation of results across Operating Units worldwide and improve the USG's ability to report how U.S. foreign assistance resources are being used. The standard indicators will often be suitable for an AO team's performance management purposes at lower levels of a Results Framework (see **203.3.4**).

For reporting at the AO or outcome level an AO team may also need to define its own indicators from its PMP to add depth and substance and to reflect more specifically what it is trying to achieve in view of its particular country situation. These are known as "custom" indicators, and Operating Units are encouraged to use them. Custom indicators must be plausibly attributable to U.S. foreign assistance.

In the joint Performance Report (as well as in the joint Operational Plan), custom indicators must only be used to demonstrate the outcome or impact of USG foreign assistance efforts. AO Teams should not add any custom output indicators when preparing these joint reports; they must not borrow standard output indicators from other sections as custom indicators; nor should they "tweak" standard indicators to make them specific to a country or region.

203.3.8.4 Performance Report, Other USAID Mission/Office Reporting and Data Quality

Effective Date: 09/01/2008

Performance Report Data. USAID Missions/Offices must have conducted a data quality assessment (see **203.3.5**) within the past three years for all performance data formally submitted in the Performance Report that will be used to prepare Agency's Performance and Accountability Report (PAR) required by the GPRA. If USAID Missions/Offices report data for any other purposes (such as illustrating points in the performance narrative), they must maintain supporting documentation in official files.

Other USAID Mission/Office Reporting. The same data quality assessment standards apply to any data reported to USAID/Washington that will be used to report externally on Agency performance.

Exception: The responsible USAID Bureau may waive this requirement on a case-by-case basis with clearance from M/MPBP/PERF.

203.3.8.5 Performance Report and Environmental Requirements

Effective Date: 09/01/2008

MANDATORY: Each Operating Unit must include a brief summary sentence of the status of compliance with 22 CFR 216 in the Operating Unit Performance Summary and must complete the Supplementary Reference: *Environmental Compliance template* in the FACTS system.

Environmental soundness is an important criterion for all Agency programs. As part of meeting the pre-obligation requirements described in **ADS 201.3.11.2**, the potential environmental impact of programs or projects must be reviewed. In some cases, the environmental review may identify environmental impact mitigation measures that must be followed during implementation. If activities implemented to support an AO do not adequately address required mitigation measures, the AO is likely to be out of compliance with USG environmental regulations. If a USAID AO is not in compliance with regulations, the USAID Mission/Office must document this in the Performance Report and identify steps needed to ensure compliance. Problems or delays in ensuring compliance must be considered when making an overall judgment as to whether an AO is meeting targets.

203.3.9 Reporting Requirements for Projects Not Managed by Country-Based USDH Staff

Effective Date: 09/01/2008

USAID-funded programs or projects that are not managed by country-based USDH USAID staff are reported through the Performance Reports of Regional Platforms and subject to the procedures above.

203.3.10 Intensive Program Reviews

Effective Date: 01/31/2003

MANDATORY. USAID Regional Bureaus must conduct intensive program reviews of each USAID Mission/Office or program for which the Bureau is responsible at least once every three years. Bureaus may conduct such program reviews more often if necessary.

The purpose of the program review is:

(1) To examine thoroughly how each of the Mission/Office's AOs is proceeding;

(2) To provide an opportunity for Washington Bureaus to examine planned and actual progress toward results set forth in the Results Framework and Performance Management Plan for each AO; and

(3) To advise on proposed course corrections in order to improve program outcomes and impact, and to review future resource requirements for each AO.

Each Bureau may develop its own procedures for intensive program reviews, but Bureaus should include AID/A/COO/PAC, M/MPBP/PERF, GC, the Bureau for Legislative and Public Affairs (LPA), and other Regional and Pillar Bureaus in the review process, as necessary. Bureaus should determine what documentation would be useful and relevant to examine program performance and strategic choices. Useful documents may include the planning parameters for the development of a long term country plan (see ADS 201.3.4 and **201.3.5**); the approved strategy; Results Frameworks and Performance Management Plans used in the USAID Operating Unit or program; Portfolio Review documents; major evaluations and assessments; and Performance Reports prepared since the previous program review.

203.3.11 Assistance Objective Close Out Reports

Effective Date: 09/01/2008

MANDATORY. AO Teams must produce a brief close out report for each of their AOs when the AO is either completed or terminated. Termination includes situations where some of the program elements and related activities may be continued under a new program, but where the original program is no longer being pursued and funded. Termination does not include situations where a program is simply being amended and

continues to be funded. Consult the program office in the responsible Bureau to determine the applicability of these requirements.

The program close out report should be submitted to the cognizant Regional Bureau Program Offices and to the Development Experience Clearinghouse. (See **203.3.12**)

The intended audience for the AO close out report includes development professionals in USAID and partner organizations that seek to learn from broader Agency experience and apply this experience in planning or assessing other development efforts. The AO close out report should summarize overall experience in achieving intended results as well as provide references to related materials and sources of information. Most AO close out reports contain five to ten pages of text, followed by supplemental annexes with more detailed information or references. AO close out reports should include:

- Basic identifying information, such as AO name, number as applicable, approval date, and geographic area (country[ies] and region[s] assisted);
- The total cost of the AO by USAID (or USG as applicable) funding account, actual or estimated counterpart contributions, and the best available estimate of other partner resources that contributed to results achievement;
- The principal implementing partners (including those with whom USAID obligated or sub-obligated funds and those who may have received funding from other sources);
- A summary of overall impact at the AO level and the Intermediate Results level in relation to what was originally planned;
- Significant changes in the Results Framework during the life of the AO;
- A summary of activities/projects used to implement the AO and their major outputs;
- Prospects for long-term sustainability of impact and principal threats to sustainability;
- Lessons learned for application to other USAID programs, including follow-on programs in the same country or sector and similar programs in other countries or sectors;
- A summary of performance indicators used and an assessment of their relative usefulness for performance management and reporting;
- A list of evaluations and special studies conducted during the life of the AO, including Performance Reports;

- A list of instrument close out reports prepared for contracts, grants, and cooperative agreements; and

- Names and contact point of individuals who were directly involved in various phases of the AO (planning, achieving, and assessing and learning), and who would be good sources of additional information.

203.3.12 Development Experience Clearinghouse
Effective Date: 03/19/2004

MANDATORY. USAID Missions/Offices must share key USAID-managed AO documents with the Development Experience Clearinghouse (DEC), an Agency-wide service for the submission, storage, and sharing of documentation. The DEC mailing address is:

Development Experience Clearinghouse (DEC)
Suite 210
8403 Colesville Road
Silver Spring, MD 20910

Document Submission:

http://dec.usaid.gov, then click on Submit Reports
Email: docsubmit@usaid.gov

USAID documents should be sent in electronic form when possible to the e-mail address above; alternatively a paper copy could be mailed to the address above. To support the broader Agency learning process, if they exist, the following documents should be submitted:

- Evaluation reports, AO assessments, and studies;

- Contractor/grantee technical reports, publications, and final reports;

- USAID-funded conference/workshop proceedings and reports;

- AO Close Out reports; and

- USAID Mission/Offices Close Out ("graduation") reports.

203.4 MANDATORY REFERENCES
Effective Date: 09/01/2008

203.4.1 External Mandatory References
Effective Date: 09/01/2008

There are no external mandatory reference documents mentioned in this ADS chapter. Due to the interrelated nature of ADS chapters 200-203, please also consult the comprehensive list of documents in ADS 200.4.1.

203.4.2 Internal Mandatory References
Effective Date: 09/01/2008

The internal mandatory reference documents mentioned in this ADS Chapter are listed below. Due to the interrelated nature of ADS Chapters 200-203, please also consult the comprehensive list of documents in ADS 200.4.2.

203 INTERNAL MANDATORY REFERENCE TITLE	AVAILABLE AT
Contract Information Bulletin (CIB) 99-17, Organizational Conflict of Interest	http://www.usaid.gov/procurement_bus_opp/procurement/cib/pdf/cib9917.pdf
Guidance on the New Monitoring and Evaluation Reporting System Requirements for HIV/AIDS	http://www.usaid.gov/policy/ads/200/200maw.pdf
Non-Presence Programming Procedures	http://www.usaid.gov/policy/ads/200/200mag.pdf

*203.5 ADDITIONAL HELP
Effective Date: 11/05/2009

The Additional Help documents mentioned in this ADS chapter are listed below. Due to the interrelated nature of ADS chapters 200-203, please also consult the comprehensive list of documents in ADS 200.5.

203 ADDITIONAL HELP TITLE	AVAILABLE AT
Expanded Response Guide to Core Indicators for Monitoring and Reporting on HIV/AIDS Programs	http://www.usaid.gov/policy/ads/200/200sbk.pdf
*Guide To Gender Integration and Analysis	http://www.usaid.gov/policy/ads/200/201sab.pdf
Handbook of Democracy and Governance Program Indicators	http://www.usaid.gov/our_work/democracy_and_governance/publications/pdfs/pnacc390.pdf
Handbook of Indicators for HIV/AIDS/STI Programs	http://pdf.usaid.gov/pdf_docs/PNACK416.pdf
Performance Management Toolkit (and worksheets)	http://www.usaid.gov/policy/ads/200/200sbn.pdf

*An asterisk indicates that the adjacent material is new or revised.

203 ADDITIONAL HELP TITLE	AVAILABLE AT
TIPS Number 01, Conducting a Participatory Evaluation	http://pdf.usaid.gov/pdf_docs/PNABS539.pdf
TIPS Number 02, Conducting Key Informant Interviews	http://pdf.usaid.gov/pdf_docs/PNABS541.pdf
TIPS Number 03, Preparing an Evaluation Scope of Work	http://pdf.usaid.gov/pdf_docs/PNABY207.pdf
TIPS Number 04, Using Direct Observation Techniques	http://pdf.usaid.gov/pdf_docs/PNABY208.pdf
TIPS Number 05, Using Rapid Appraisal Methods	http://pdf.usaid.gov/pdf_docs/PNABY209.pdf
TIPS Number 06, Selecting Performance Indicators	http://pdf.usaid.gov/pdf_docs/PNABY214.pdf
TIPS Number 07, Preparing a PMP	http://pdf.usaid.gov/pdf_docs/PNABY215.pdf
TIPS Number 10, Conducting Focus Group Interviews	http://pdf.usaid.gov/pdf_docs/PNABY233.pdf
TIPS Number 11, The Role of Evaluation in USAID	http://pdf.usaid.gov/pdf_docs/PNABY239.pdf
TIPS Number 14, Monitoring the Policy Reform Process	http://pdf.usaid.gov/pdf_docs/PNACA949.pdf
TIPS Number 15, Measuring Institutional Capacity	http://pdf.usaid.gov/pdf_docs/PNACG612.pdf
TIPS Number 15 Annexes, Measuring Institutional Capacity	http://pdf.usaid.gov/pdf_docs/PNACG624.pdf
UNAIDS National AIDS Programmes: A Guide to Monitoring and Evaluation	http://www.unaids.org/en/policyandpractice/monitoringandevaluation/default.asp
UNAIDS/UNGASS: Monitoring Country Progress	http://www.unaids.org/en/KnowledgeCentre/HIVData/CountryProgress/Default.asp

The additional help websites (links) and e-mail addresses mentioned in this ADS chapter are summarized below.

ADS SECTION	DESCRIPTION	AVAILABLE AT

ADS SECTION	DESCRIPTION	AVAILABLE AT
203.3.6	EvalWeb, a website containing resources for program evaluation and assessment	**http://www.dec.gov/partners/evalweb/**
203.3.6.3	M/Office of Acquisition and Assistance	**http://inside.usaid.gov/M/AA (accessible only within the USAID firewall), OR http://www.usaid.gov/procurement_bus_opp/procurement**
203.3.12	M/CIO/KM, website to submit, search, and review documents submitted to Development Experience Clearinghouse (DEC)	**http://dec.usaid.gov**

*203.6 DEFINITIONS

Effective Date: 11/05/2009

See comprehensive list contained in ADS 200.6.

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