

DRAFT REPORT

STRATEGIC OBJECTIVES
AND
PROGRAM PERFORMANCE INDICATORS
FOR
USAID/NICARAGUA

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Submitted to:

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SECTION ONE

INTRODUCTION

A. BACKGROUND AND OBJECTIVES

This consultancy, and the report which is its primary by-product, are part of an broad effort by the Agency for International Development (A.I.D.) to enhance the effectiveness of the foreign assistance programs it finances.*

In Nicaragua, A.I.D. has an opportunity to positively affect the future of an emergent Latin American democracy that is virtually unprecedented. After an eight year hiatus, USAID/Nicaragua mounted an assistance program in record time following the election of President Violeta Barrios de Chamorro in February, 1990. Opening its doors in Managua by April, USAID/Nicaragua rapidly put in place an emergency assistance program.

In August 1990, building on the foundation of its initial rapid delivery of basic medicines, food and support for the repatriation of the Nicaraguan Resistance. USAID/Nicaragua prepared a short-term strategy for obligating FY 1990 and FY 1991 resources. That strategy was intended to serve as a bridge between the Mission's emergency actions and its first long term assistance plan, a five-year Country Development Strategy Statement (CDSS) which the Mission plans to prepare in May of 1991.

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A.I.D. has long been aware of the management value of clear objectives and systems for measuring performance at the project level. In the 1980s, with the advent of more complex mission portfolios, heightened demands for evidence of the effectiveness of foreign assistance, and ever-present constraints on staff size, the need for clear objectives, performance measures at the program level and greater programmatic concentration in a few high priority areas became apparent. Beginning in 1989, CDIE, A.I.D.'s Center for Development Information and Evaluation, undertook a series of experimental efforts aimed at helping USAIDs to use an analytic approach for defining strategic, program level objectives and accompanying performance measures. This consultancy is part of CDIE's continuing effort to support strategic planning and program level performance monitoring in A.I.D.'s Missions.

The consultancy team, which arrived in Nicaragua on January 8, 1991, consisted of five individuals: Molly Hageboeck, Robert Klein and Mark Renzi of Management Systems International (MSI), Rosalie Huisinga Noren of A.I.D.'s Office of Women in Development (PPC/WID) and Daniel Seyler from CDIE. During a three and a half week period, this team worked in a collegial and participatory manner with the staff of USAID/Nicaragua to fashion a framework of program level objectives and to define, in a preliminary way, what measures of program performance might be used to monitor the progress and impact of Mission efforts. In the social services sectors, this exercise proceeded at a steady pace through phases that addressed objectives, performance indicators and potential sources of data. Elsewhere, the complexity of Nicaragua's economic and political situation, a dearth of basic information and the newness of the Mission's program hindered rapid movement through the stages of this exercise.

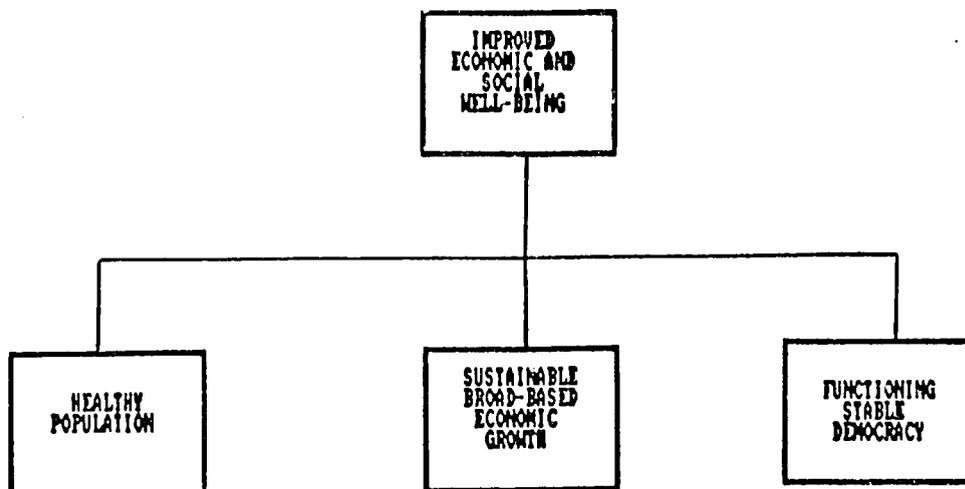
B. THE CONSULTANCY PROCESS

While there is no fixed method for working with A.I.D. Missions to develop strategic objectives and performance indicators, a participatory approach can help a Mission to develop a shared perspective on its major goals. This consultancy, which was highly participatory in nature, included a set of plenary sessions in which virtually all of the Mission's professional staff was involved and a series of smaller working group sessions which addressed objectives and issues in key areas.

At an opening plenary session, attended by roughly 20 USAID/Nicaragua staff members, the MSI/A.I.D. consultant team presented the objectives, basic terms and tools that would be applied during the consultancy. Appendix A contains a copy of the presentation given at this first plenary session.

The core tool for the objective setting aspect of the this work is called an Objective Tree. An Objective Tree is a system for arranging objectives in a hierarchical fashion. Objectives at every level of an Objective Tree are supported by the set of necessary and sufficient conditions for their achievement. Once such structures are constructed, Missions can begin to identify where critical bottlenecks exist as well as where A.I.D.'s comparative advantage might lie on a particular tree. Working with this information, Missions then define those important developmental objectives -- or Strategic Objectives -- on which they want to concentrate their energies and against which they are willing to have their program level performance assessed.

The result of the USAID/Nicaragua's initial effort to develop and Objective Tree was a tree with three main branches that leads to a single, overriding objective. An abbreviated version of this tree is shown below.



From the outset, the USAID/Nicaragua staff described elements of this basic tree as being highly interactive, e.g., political stability and economic progress in Nicaragua depend heavily upon each other. Mission staff also noted the existence of external pressures, i.e., a multiplicity of requests and demands for funding useful activities that do not necessarily relate high priority Mission objectives.

In addition to elaborating the branches of its Objective Tree, the Mission elected to examine three areas where it felt that substrategies might be warranted. The substrategies so identified focus on:

- o The Atlantic Coast -- an unusually depressed area within Nicaragua which also happens to be the home of important groups, the Mesquito Indians and a large number of former members of the Nicaraguan Resistance.
- o The Nicaraguan Resistance or "Contras" -- whose repatriation and reintegration into Nicaraguan society is a central Mission concern, and

- o The Sandinistas -- whose integration into a democracy is important for the achievement of other high priority Mission objectives.

Following the initial plenary session, volunteer working groups met during the following week to develop two branches of the Mission's objective tree and to address one substrategy. Their initial conclusions were presented in a plenary session at the end of the second week. During third next week, working groups focused on the final branch of the Mission Objective Tree and on the two remaining substrategies. Conclusions were again presented in plenary at the end of the week.

After these plenary sessions, working groups held such additional meetings as they needed to reach the point where they were ready to bring to a final plenary their recommendations concerning the selection of "Strategic Objectives" from among the full set of objectives documented in the objective trees they had developed. Working groups that were able to move relatively quickly through several stages of the process went on to develop performance indicators for key objectives and to identify sources of data that could be tapped for information on these indicators.

At a final plenary session, held on January 29th, Mission staff reviewed a series of candidate "Strategic Objectives". Appendix B provides the discussion paper developed for this session. At this final plenary session period, a number of candidate "Strategic Objectives" were eliminated from consideration based primarily on the fact that they were unlikely to be achieved during the upcoming five year CDSS period. Final decisions concerning a set of "Strategic Objectives" will be made by the Mission based on further internal discussions of the remaining candidates. In some instances, these discussions may occur after additional analyses clarify for the Mission its most likely course of action in a sector or in a new field such as democracy.

C. ORGANIZATION OF THE CONSULTANCY REPORT

This report is divided into nine sections. This section summarized the objectives of the consultancy and the procedures it employed. The next three sections present the Objective Trees developed for the main branches of the overall Objective Tree presented in this section. Also addressed in separate sections are the three substrategies the Mission examined during the course of the consultancy. Following these presentations, a separate chapter discusses the cross-cutting issues that emerged as the work

proceeded. The final section of the report examines "next steps" -
- the work that remains and options the Mission has with respect to
completing that work.

SECTION TWO

SUSTAINABLE, BROAD-BASED ECONOMIC GROWTH

A. BACKGROUND

Promoting an environment and supporting specific actions which promote sustainable, broad-based economic growth are seen as critical elements of any potentially effective development program in Nicaragua. USAID's funding for Nicaragua has the potential of equalling 10-12% of Nicaragua's GDP, thus the opportunity for influencing outcomes in this area is significant.

The Nicaraguan economy has suffered from deficient policies as well as political upheaval, including an extended war for the past decade. Effects of this are exacerbated by natural disaster and a regional debt crisis.

In order to improve the economic well being of Nicaraguans, economic growth must include both sustainable and broad-based components. In addition, constraints inherent in the governance and policy areas need to be addressed. In some instances, this means sorting out whether constraints are based in policy or in the ability to implement that policy. Concerns about governance and policy in the economic sphere also have critical implications for other program areas.

Following the first plenary session which identified sustainable, broad-based economic growth as a program goal for USAID/Nicaragua, a working group was established to develop an Objective Tree for this goal. The group was composed of Ken Schofield, Deputy Director; Bob Burke, Supervisory Program Officer; Todd Amani, Program Officer; Richard Owens and Brian Rudert, Agricultural Development Officers; Joe Williams, Education Development Officer; Skip Waskin, Project Development Officer. Molly Hageboeck, Management Systems International; Dan Seyler, PPC/CDIE; and Rosalie Huisinga Norem, PPC/WID served as facilitators for this working group. The group met three times prior to the third plenary session, at which time the objective tree was presented to the Mission staff. Following the third plenary, the group met to identify strategic objectives which they would recommend to the Mission at the final plenary session.

B. OBJECTIVE TREE ANALYSIS

The team discussions centered initially on the question of key issues necessary to promote both the sustainable and broad-based elements of economic growth in Nicaragua. As Figure 2.1 indicates, six major objectives are included in the tree developed by this working group: (1) increased foreign and domestic investment, (2) increased entrepreneurship/participation in the economy, (3) increased sales from diversified product base, (4) increased productivity, (5) sustainable use of renewable natural resources, and (6) biodiversity and protection of tropical forests. The final sub-goal is a response to a Congressional earmark -- project efforts in this arena have a potential long-term contribution to sustained economic growth, but are not seen as an critical element in the short-term.

At several points in this Objective Tree, education, policy reform and the passage and enforcement of laws appear as critical inputs for the achievement of economic growth objectives. In addition, there are important interactions among elements of the tree. Increases in investment, for example, contribute to productivity increases and to the growth of sales. Productivity increases, in turn, help to create jobs, which are an important element of broad-based participation in the economy.

Figures 2.2 through 2.5 display the branches of the economic growth Objective Tree and indicate where branches of this tree interact.

C. STRATEGIC OBJECTIVES

After extensive discussion, the group decided not to choose the highest level of objective as a strategic objective, but to focus on several intermediate objectives in their recommendations. Analysis of the overall Objective Tree resulted in a focus on increased investment as a necessary condition for both broad-based and sustained economic growth, and also a lynch-pin for achieving objectives on other branches of the Objective Tree for economic growth. Team members also believe that Mission efforts can make a significant impact on investment during the next 5 years.

Subsequent discussion focused on what would keep investment from happening and the relationships among various objectives on the tree. Some objectives under key objective are additive, such as the objectives under increased productivity, shown in Figure 2.2, so it is possible to move to the level below those objectives

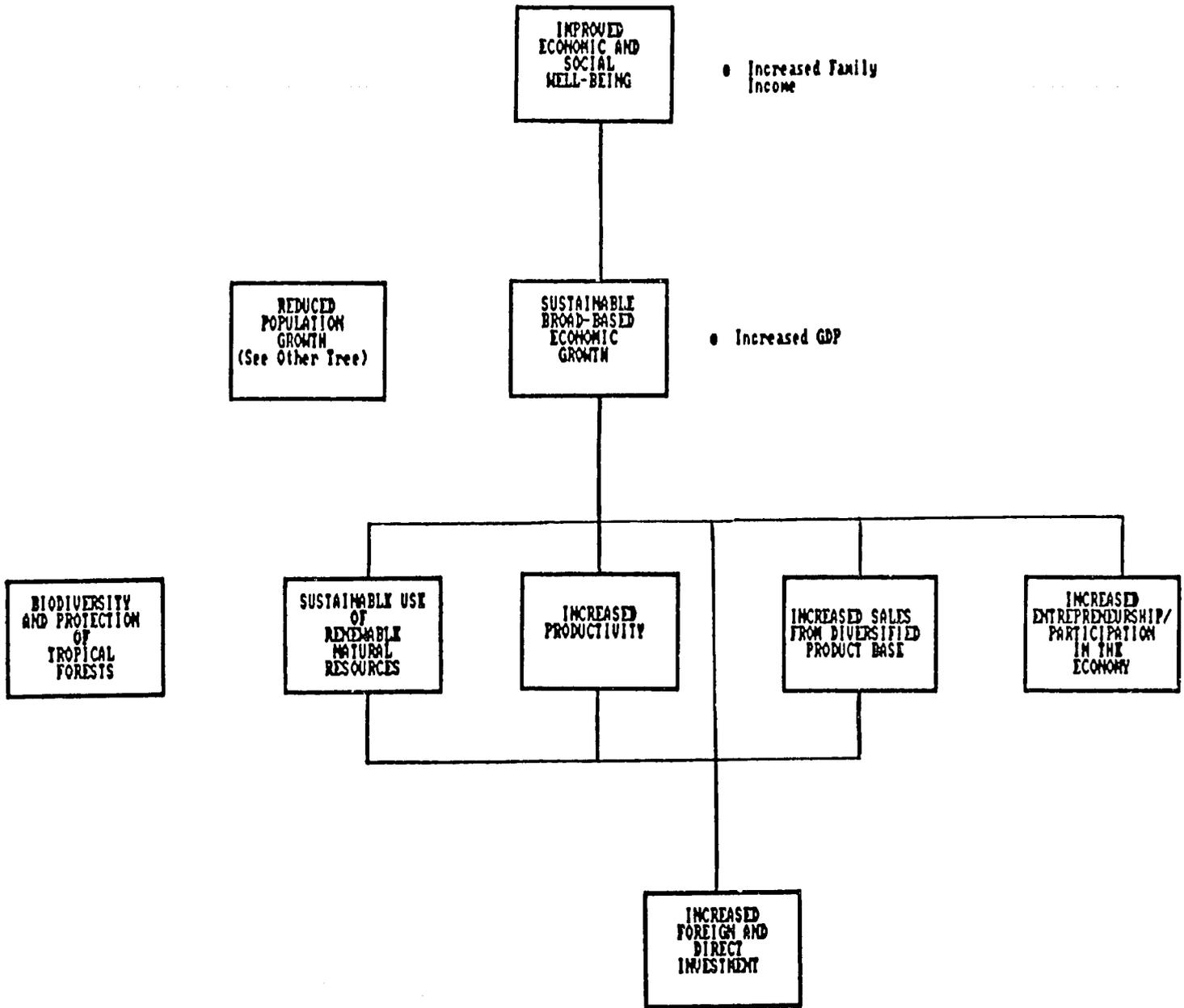


Figure 2.1 Overview of Economic Growth Objective Tree

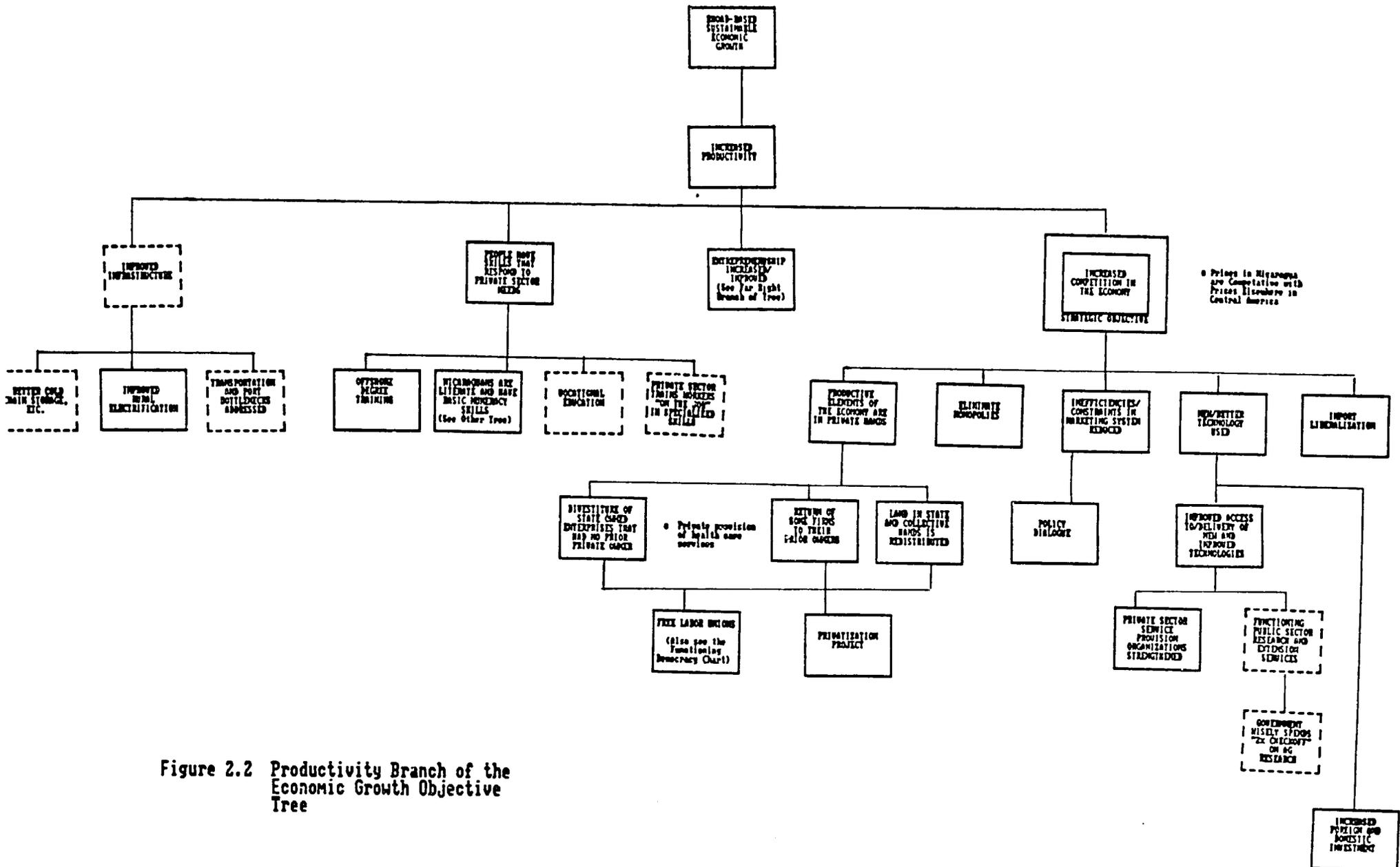


Figure 2.2 Productivity Branch of the Economic Growth Objective Tree

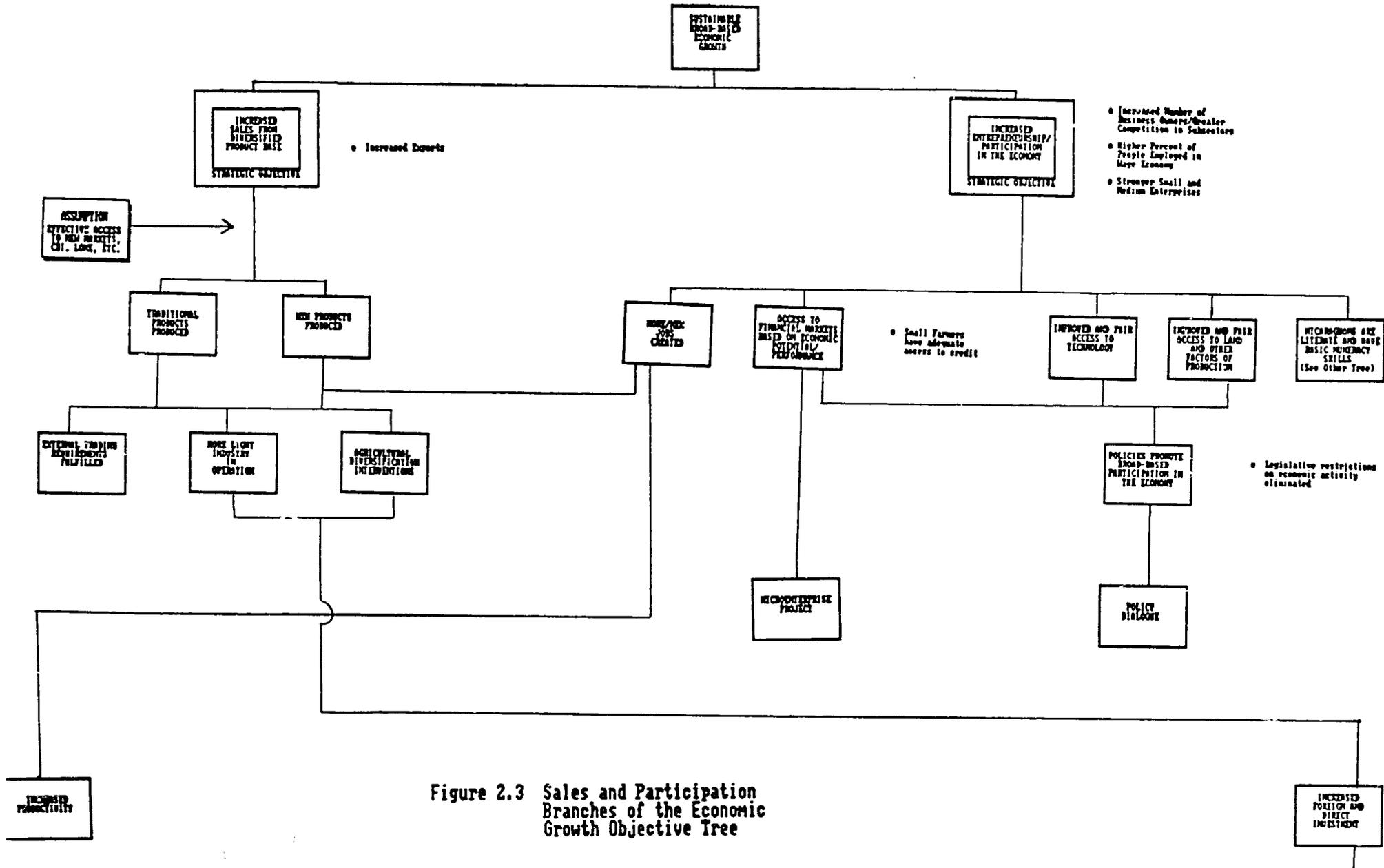


Figure 2.3 Sales and Participation Branches of the Economic Growth Objective Tree

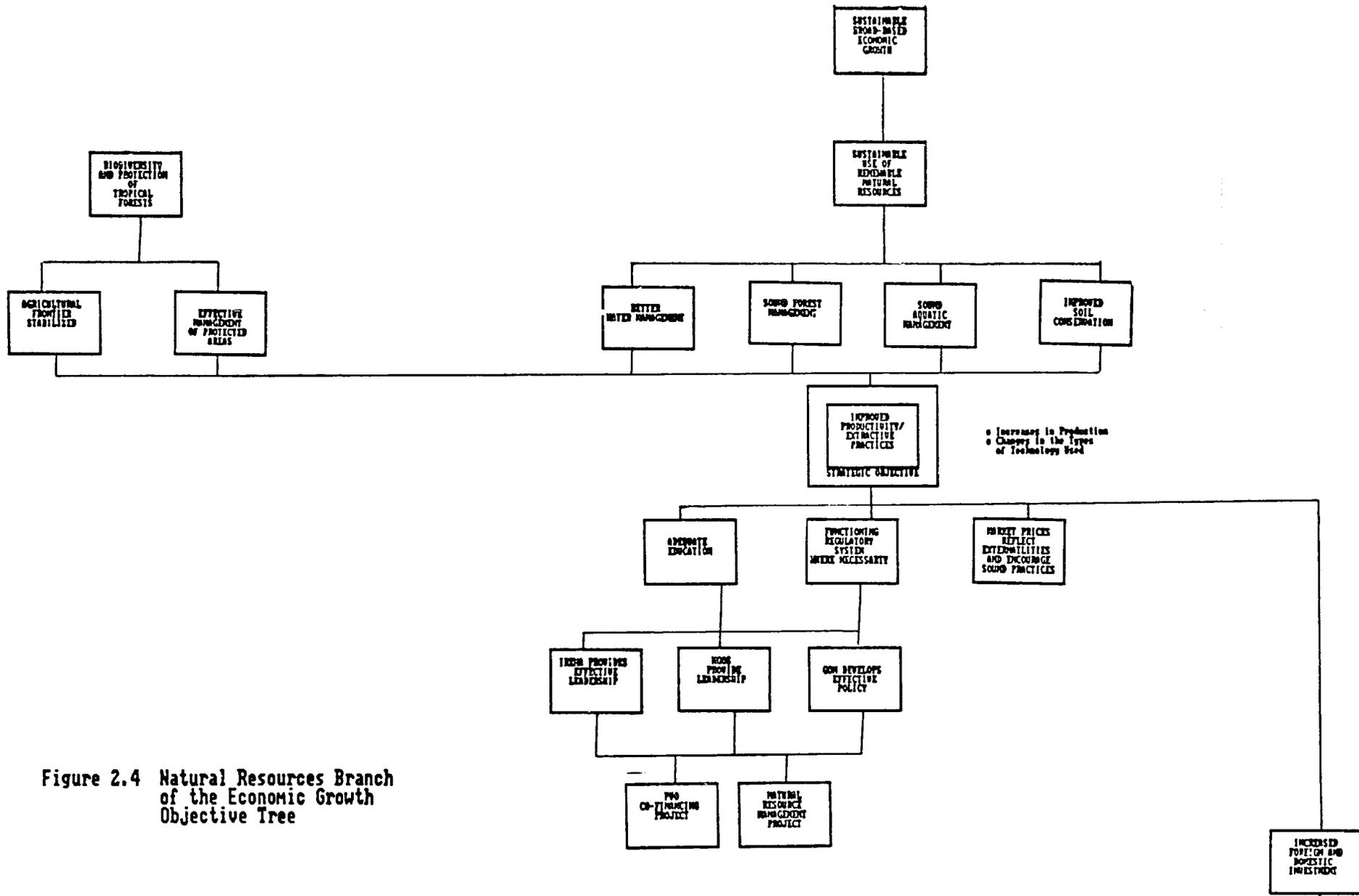


Figure 2.4 Natural Resources Branch of the Economic Growth Objective Tree

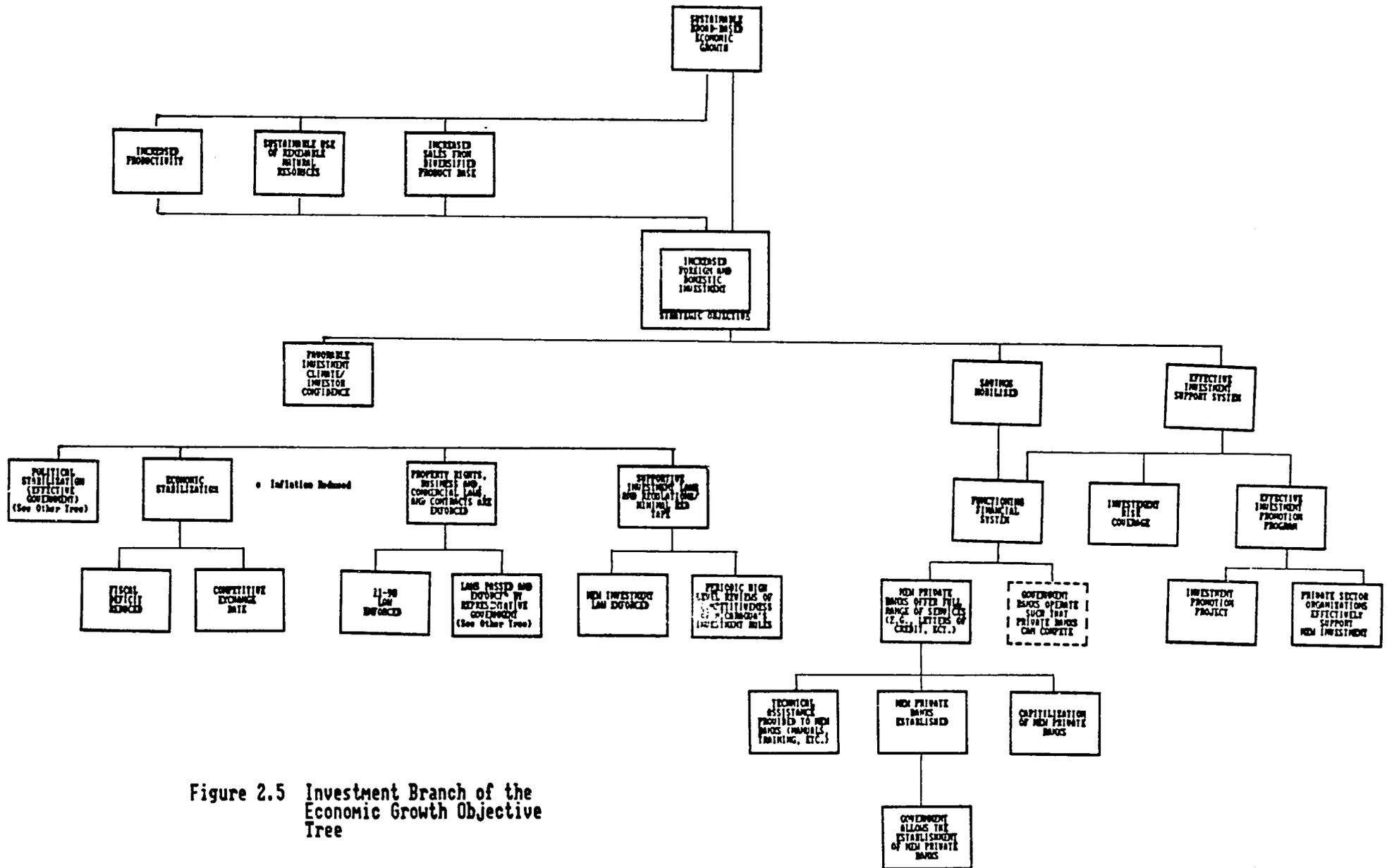


Figure 2.5 Investment Branch of the Economic Growth Objective Tree

to choose potential strategic interventions. Improved productive/extractive practices are critical for the sustainability of economic growth and access to financial markets is an essential component of a broad-based growth process.

At the close of the final plenary session, the following six Strategic Objectives were recommended for the Mission's strategic planning process:

- o Improved productive/extractive practices (Figure 2.4)
- o Increased competition in the economy (Figure 2.2)
- o Increased sales from a diversified product base (Figure 2.3)
- o Access to financial markets based on economic potential/performance (Figure 2.3)
- o Policies promote broad-based participation in the economy (Figure 2.3)
- o Increased foreign and domestic investment (Figure 2.5)

Two recommended strategic objectives were eliminated during plenary discussions, leaving a total of six possible strategic objectives for the sustainable, broad-based section of the Mission's strategic objective tree. Objectives that focus on access to financial markets and on policies that support broad-based participation in the economy above were consolidated under "Increased entrepreneurship/participation in the economy" (Figure 2.4), a somewhat higher level objective, during team discussion following the final plenary and a new objective, "more/new jobs" was added to this branch. This decision was based on the rationale that the factors under increased entrepreneurship/participation in the economy are additive, and in addition that 90% of increased participation will be in employment which can be effected by the Mission's program. This decision reduced the number of Strategic Objectives recommended for the economic growth Objective Tree to five.

Other changes were made in on the "increased productivity" branch. For example, "productive elements in the economy are in private hands" and "new /better technology used" were shifted

downward on the tree to show the way in which they contribute to "increased competition". Figures 2.1 through 2.5 incorporate these changes.

D. PERFORMANCE INDICATORS AND DATA SOURCES

The team met subsequent to the final plenary to review suggestion from the plenary and to address questions related to program performance indicators. Types of indicators were discussed for each suggested objectives, and the team expressed confidence that objectives as stated could be measured by relatively standard and clearly defined indicators as program activities become more concretely identified. For example, the existence of competitive prices in Nicaragua, as compared with other countries in the region would be an indicator of "increased competition". Similarly, "sales from a diversified export base" could be measured by volume of non-traditional exports.

SECTION THREE

DEMOCRATIC INITIATIVES

A. BACKGROUND

The emergence, during the first plenary session of the consultancy, of support for Nicaragua's democracy as a fundamental objective of the Mission's program reflects not only the circumstances under which A.I.D. returned to Nicaragua, but also the Mission's existing commitments in this area. As USAID/Nicaragua's "Short-Term Strategy Proposal" indicates, support for democratic initiatives was one of the first activities in which the Mission engaged. For FY 1990 and FY 1991, the Mission plans to obligate \$8 million to activities in this area. To this end, the Mission expects to undertake an assessment of democratic initiative opportunities in February, 1991, with the assistance of a team of consultants.

The development of an Objective Tree for a "functioning, stable democracy" following the first plenary was undertaken by a USAID/Nicaragua working group which included Kenneth Scofield, Deputy Director, Todd Amani, Program Officer, Marta Velazquez, Legal Advisor, Mila Brooks, Democratic Initiatives Coordinator, John Cloutier, Supervisory Development Officer. Molly Hageboeck and Dan Syler served as facilitators for this working group.

The question of how best to foster democracy in Nicaragua was central to the discussions of this working group. Nicaragua's lack of a strong democratic tradition, coupled with ten years of Marxist revolution and war, has left its political system fragile and extremely polarized. While Nicaragua has in place a number of institutions that are suggestive of democratic government, i.e., a constitution, and elected Chief Executive, a judiciary and a National Assembly, these elements do not necessarily function in a manner that is consistent with the principles of representative government. Neither individual rights nor laws, for example, appear to be consistently enforced. Such practices suggest to the Mission the absence of a consensus among Nicaraguans on the fundamental societal rules.

As the Mission's working group on democratic initiatives constructed its Objective Tree, it sought ways to characterize this situation and to make it clear that activities which supported

democratic forms without addressing the commitment of Nicaragua's citizens to democratic values were likely to make only a limited contribution to the Mission's broad goal of a "functioning, stable democracy."

In addition to attempting to stress the day to day functioning of a democracy in its Objective Tree, the Mission working group sought ways to express its concern with the fragile nature of Nicaragua's democratic experiment. Simply put, the working group felt that unless the current administration is able to demonstrate its effectiveness in terms that are meaningful to ordinary people, democracy itself might have a limited tenure.

B. OBJECTIVE TREE ANALYSIS

An overview of the main elements of the Objective Tree for a functioning, stable democracy developed by the Mission working group is presented in Figure 3.1.

As suggested above, the working group distinguished between the requirements for a functioning democracy and a perceived need for political stability in the short term. With respect to the requirements of a functioning democracy, the working group defined two essential components or branches. These two branches focused on:

- o Structures and systems of representative government that produced laws and other rules of society in which citizens have confidence, and
- o Structures and systems which ensures that justice is defined and enforced in a continuously improving way in Nicaragua.

The approach the working group took to identifying subordinate elements of these two branches of its democracy Objective Tree involved a review of all the conditions required to realize the objective at the top of each branch of the tree. For this reason, an examination of the full tree reveals some redundancy, e.g., a set of laws appears as an objective on two of the main branches of the tree. While recognizing the existence of duplications of this sort, the working group elected to retain such redundancies, as they make it easier to understand the requirements associated with discrete branches of this Objective Tree. Figures 3.2 through 3.4 show the three main branches of this tree and lower level objectives upon which achievements in these branches depends.

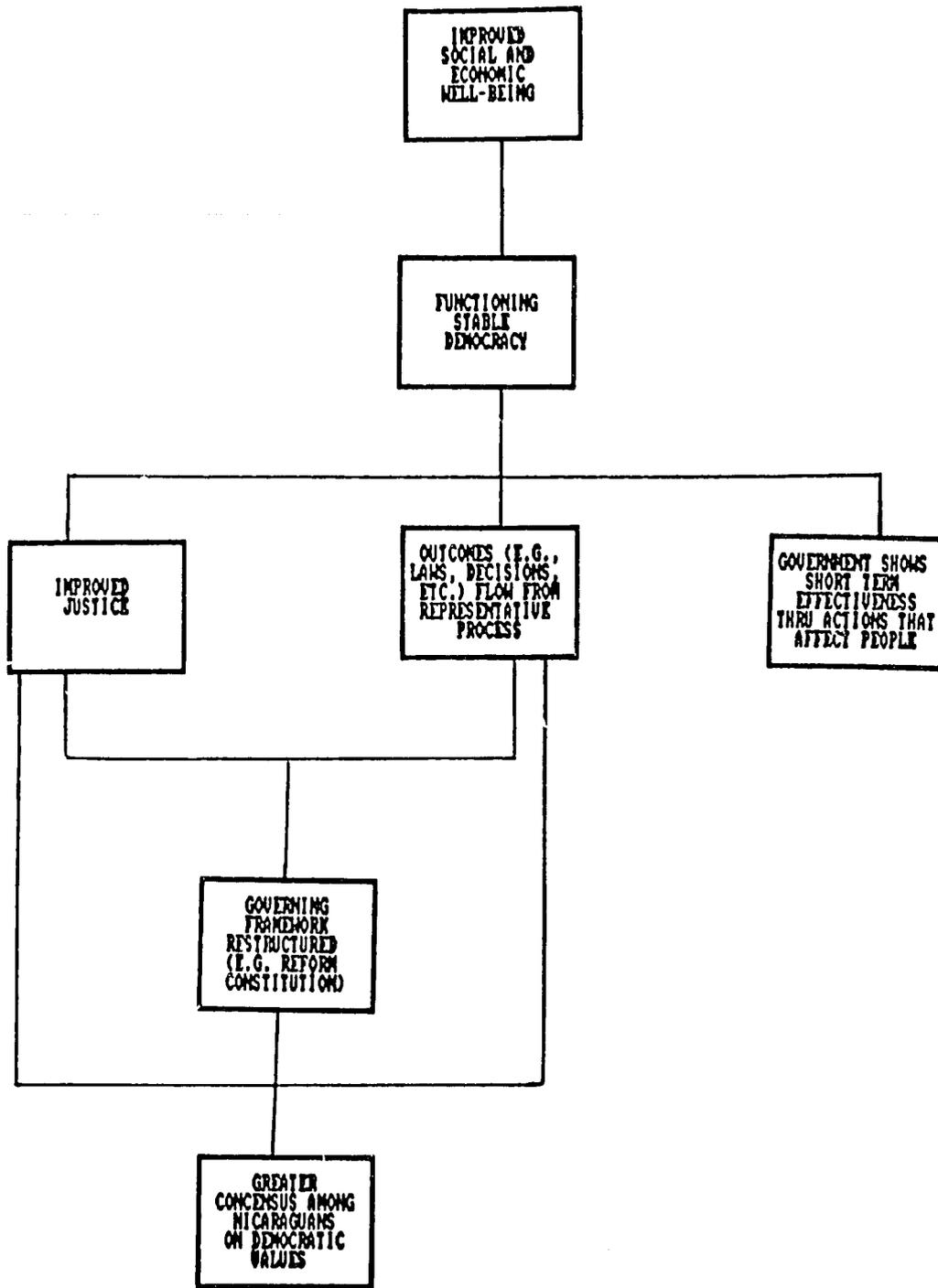


Figure 3.1 Overview of Democracy Objective Tree

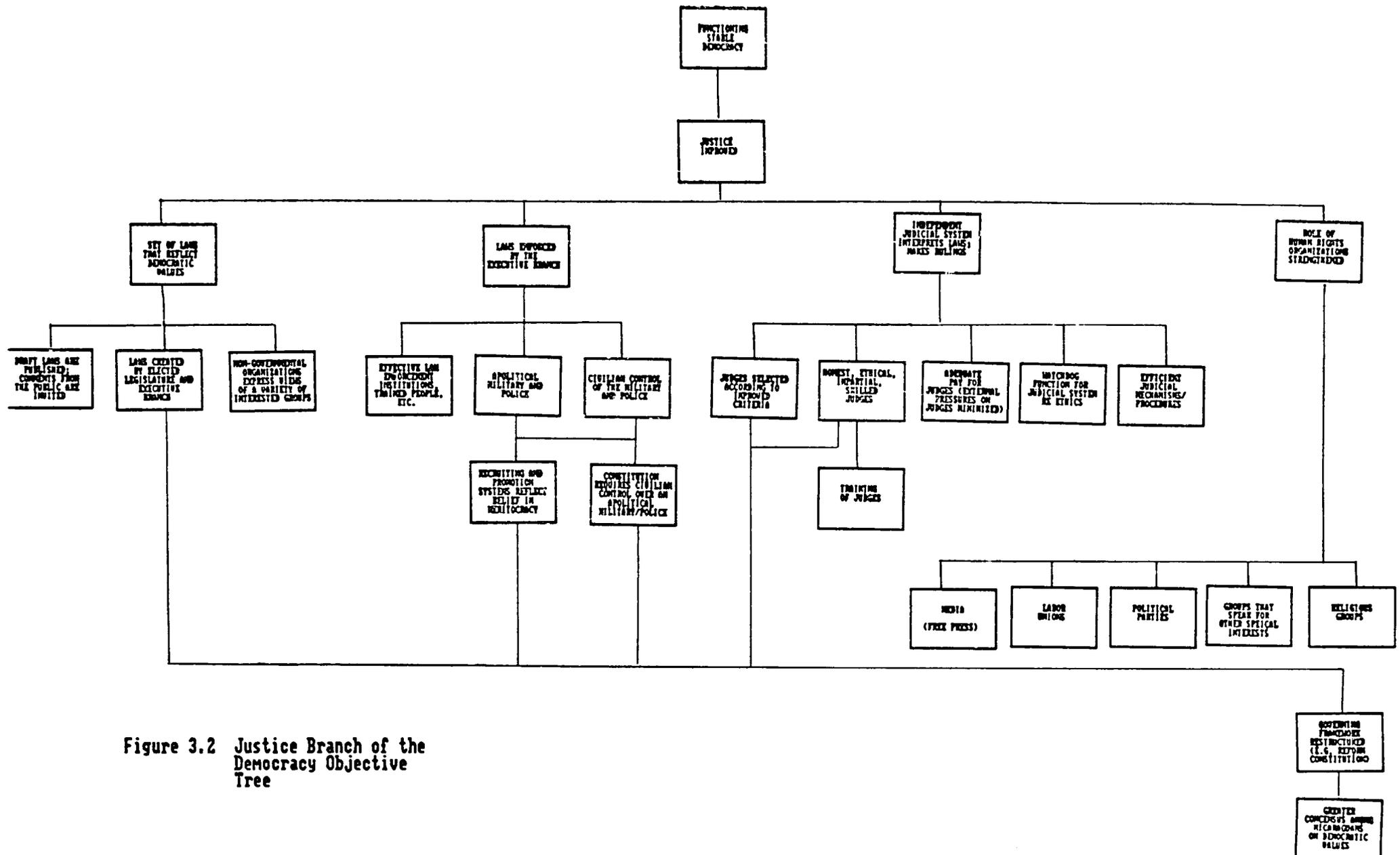


Figure 3.2 Justice Branch of the Democracy Objective Tree

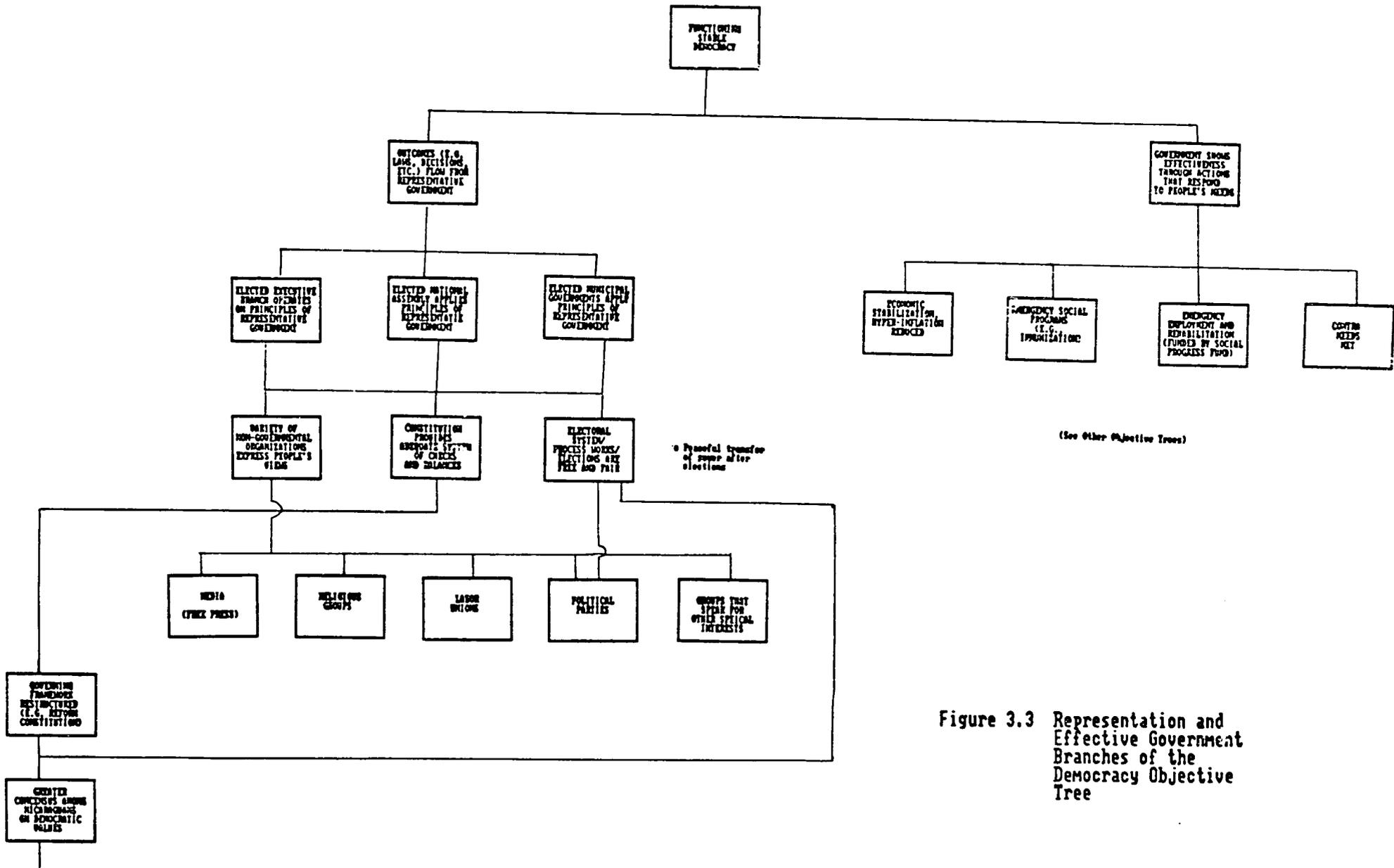


Figure 3.3 Representation and Effective Government Branches of the Democracy Objective Tree

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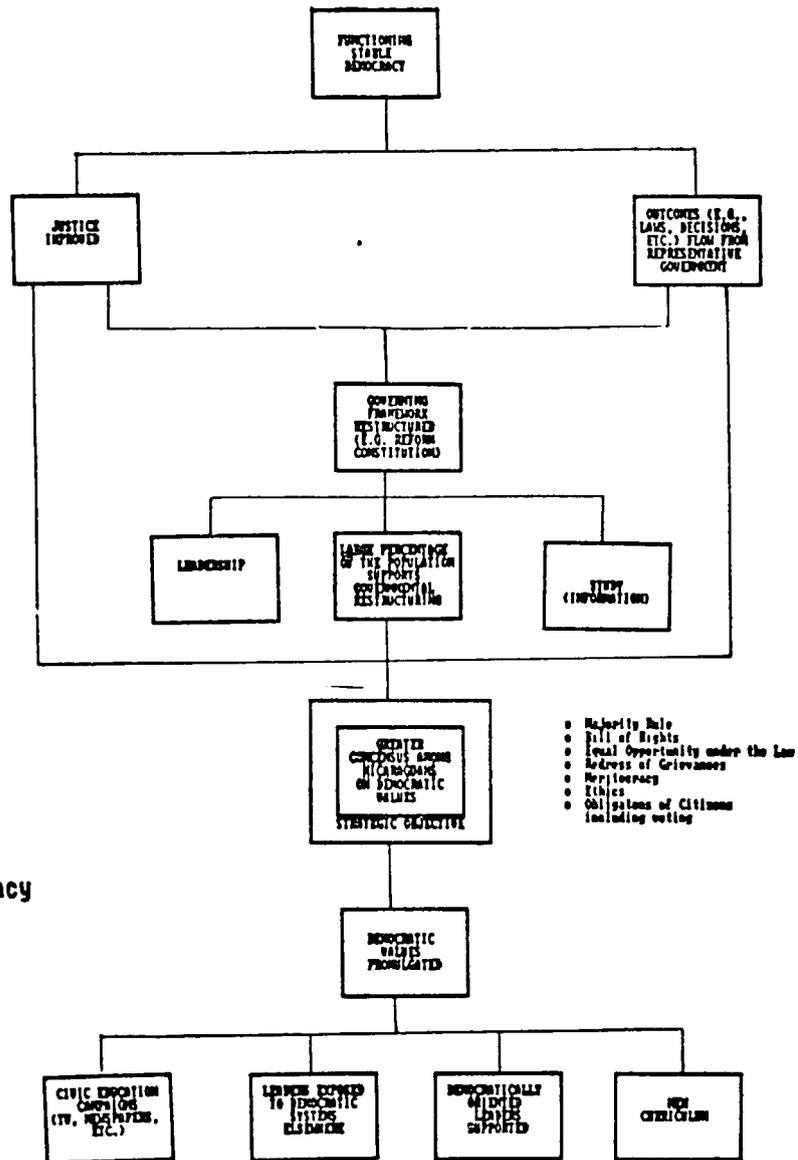


Figure 3.4 Democratic Values Trunk of the Democracy Objective Tree

In the Missions' view, both of the basic elements of a functioning democracy are supported, and depend upon, the existence of a consensus concerning democratic values as the operating rules for a society. Activities that would contribute to the strengthening of these values are identified below this objective on the Objective Tree, in Figure 2.4.

In constructing the core elements of its democratic initiatives Objective Tree, the working group returned several times to the issue of "feedback loops" in the hierarchy of objectives it was constructing. Central to the groups concern with "feedback loops" was the its recognition that while democratic values are a prerequisite for the functioning of democratic government, a functioning democracy also serves to reinforce these values. As several of members of the working group put it, "democratic values belong at both the top and bottom of the tree." Even after the group elected to treat an expansion of Nicaragua's consensus on democratic values as a means rather than an end, it found numerous instances where the discipline of preparing Objective Trees left it without methods for identifying "feedback loops" that it felt were important. For example, the working group noted the importance of having entities such as a free press participate in efforts to promote democratic values, i.e., civic education campaigns, as well as be their beneficiary.

For democracy to prevail as the form of government in Nicaragua over the long term, it must prevail in the short term. The need expressed by the working group for political stability over the next five years is articulated through a final branch on the Objective Tree which focuses on the short-term effectiveness of government.

Discussions of effective government as an objective were not limited to this Objective Tree or to short term issues. At several points in other Objective Trees, the effectiveness of particular governmental organizations was noted as being critical for the realization of important objectives. In addition, the potential returns to an investment in improving governmental financial and management systems across the board were discussed in working groups and at the final plenary session.

Effective government is not the only cross-cutting issue to appear in the democracy Objective Tree. In Figure 3.2, which displays the logical structure of objectives that underlies the realization of improvements in justice in Nicaragua, promotion on

the basis of merit, another cross-cutting issue which permeated discussions of improvements in Nicaraguan society, is shown as an integral part of the Objective Tree.

Similarly, support for non-governmental entities that perform a variety of functions, including advocacy, is displayed as an element of the Objective Tree that leads to a functioning, stable democracy. For parallel reasons, the strengthening of non-governmental groups also emerges as an objective on other USAID/Nicaragua Objective Trees. In addition to carrying out the particular functions which lead to their inclusion in these trees, the Mission views non-governmental groups as providing a needed counter-balance to government. At one point in its final plenary session, the Mission discussed, but ultimately rejected, the idea of creating a separate branch of its democracy Objective Tree to address the desirability of seeing a wide variety of strong non-governmental organizations emerge in Nicaraguan society.

C. STRATEGIC OBJECTIVES

In preparation for the final plenary session of the consultancy period, the working group reviewed its Objective Tree and identified several objectives as candidate Strategic Objectives for the Mission. At the top of this list was the expansion of democratic values, which the working group had identified early on as a critical constraint to the long term functioning of a democracy in Nicaragua. The importance of several other objectives, including the effectiveness of government in the short term; constitutional reform, which is an element of government restructuring; support for non-governmental groups; and free and fair elections in 1996 were also discussed as potential Strategic Objectives in this area during the final plenary.

After reviewing these candidates, the Mission decided that a single, focal objective in this area was desirable and it elected to identify "Improvements in Nicaragua's consensus on democratic values" as its only Strategic Objective in this area.

D. PERFORMANCE OBJECTIVES AND DATA SOURCES

While the democracy working group made a good deal of progress toward the development of an Objective Tree and the identification of the most critical constraints affecting the achievement of the tree's highest level objective, relatively little progress was made in identifying performance indicators and data sources.

Of particular concern in this regard is the difficulty, which the working group acknowledged, of measuring a change in values of the kind suggested by its Strategic Objective. In addition, Mission staff recognized during the final plenary that differences exist within the Mission with respect to a definition of democracy and democratic values.

While acknowledging these issues as being problematic, and requiring further attention, Mission staff felt it was important to focus on the objective that they believe to be critical for success in this area, rather than shifting their attention elsewhere simply because definitional and measurement issues might be less problematic in another part of this Objective Tree.

Further work will be needed to more tightly define the Mission's Strategic Objective and other key objective in this area. In addition, an effort to develop practical indicators for assessing performance in terms of these objectives will be required as will an analysis of and plan for data collection in this area.

SECTION FOUR
IMPROVED HEALTH STATUS

A. BACKGROUND

The public health sector has some admirable strengths, as well as some critical short term problems. Among the strengths are a primary health care system with high levels of community participation, administrative decentralization, extended coverage, and a rationale for setting priorities which addresses the principal causes of infant, child and maternal mortality. Apart from these important positive features, the national health system has some critical problems. The system is severely decapitalized, there are critical shortages of basic medicines and equipment, the physical condition of clinics and hospitals is seriously deteriorated, and low salaries and difficult working conditions have caused high rates of staff turnover. Other serious problems in the health sector include low coverage for potable water and sanitation, a high rate of population growth, and low contraceptive prevalence. Finally, there is a critical absence of accurate nation-wide data for planning and evaluation.

The education sector, which is covered in this section because it is closely related to improved health status, suffers from a severe absence of accurate data for strategic planning and evaluation. The curriculum inherited from the Sandinista administration is highly politicized, and in need of substantive reform as well. A basic education sector assessment is planned and will provide valuable information for program planning. The total amounts budgeted for Health and Education related activities for FY 1990 and FY 1991 are approximately \$51 Million and \$42 Million respectively.

A working group was established to develop more fully the goal articulated in the first plenary referred to as "Healthy Population". Team members included Liliana Ayalde, Joe Williams, and Frank Valva of the General Development Office, Brian Rudert of the Agriculture Office. Robert Klein and Mark Renzi of Management Systems International served as facilitators for this working group. The group addressed the strategic implications of achieving a healthy population through the following activities:

1. Performance of a Critical Issues Assessment designed to identify the internal and external opportunities for and constraints to USAID/Nicaragua helping Nicaragua develop a healthier population;
2. Analysis of the results of (1) to draw conclusions about salient management, political, and contextual considerations to be considered in designing interventions for the near- and longer-terms;
3. Construction of an objective tree to articulate the logical programmatic components of improving health status;
4. Identification of potential program performance indicators and data sources based on objectives developed in (3);

It is expected that the Mission will utilize the conclusions drawn from the Critical Needs Assessment and the objective trees, together with the Ministry of Health's forthcoming five-year plan to identify specific USAID/Nicaragua interventions.

To initiate the strategic planning process that the working group began by systematically assessing the problem and USAID/Nicaragua's ability to address it. The team utilized a strategic planning tool called a Critical Needs Assessment for this purpose (a completed version is presented in Exhibit A.) The instrument posed a number of questions to the team designed to elicit responses which would provide an understanding of the institutional, political and social environment in which program activities would be operating. Based on the context so described, the team then attempted to draw conclusions that would help define the management and political parameters within which eventual programming decisions would need to function to maximize program effectiveness. The conclusions drawn from the "internal scan" (the systematic reflection on USAID/Managua's strengths and weaknesses) and the "external scan" (factors impacting on the strategic objectives apart from USAID) are summarized in Exhibit B.

B. OBJECTIVE TREE ANALYSIS

The objective "Improved Health Status of Nicaraguans" was selected both because it was a worthy end in itself and because a healthy population is a fundamental component in economic and social development. However, its chief significance by far from

the Mission's perspective was for the gains to human welfare which would result from improved health status.

The working group reviewed the activities which would be necessary to improve health status of Nicaraguans. The results of that analysis are presented in the objective trees in Figures 4.1 through 4.6. Figure 4.1 presents an overview of the strategy for achieving the sub-goal, wherein improved overall health status will result from improving maternal and child health, decreasing population growth, and through improving and expanding educational achievement at the primary level (Figure 4.1). Individual objective trees are presented for important sub-objectives, including:

- o Coverage/Utilization of preventive/primary care increased (Figure 4.2)
- o Utilization of Water and Sanitation Systems Increased (Figure 4.3)
- o Dietary intake increased (Figure 4.4)
- o Basic education improved (Figure 4.5)
- o Population Growth Reduced Figure 4.6)

Lower levels of the trees indicate the importance of improvements in quality of, access to, demand for, and participation in project activities such as safe water and sanitation to reduce morbidity (Figure 4.3), increased dietary intake as an important component to improved nutritional status (Figure 4.4), improvements in basic education outcomes (Figure 4.5) and increased use of contraceptive services for child spacing and achievement of desired family size.

The USAID/Nicaragua program is in an early stage of evolution. Much of the portfolio has yet to be designed. As a result, the Mission is further along in identifying some strategic objectives than others. The team felt that the Mission is too small a player to impact significantly on maternal and child health during the CDSS period. Thus, improved maternal and child health is likely to serve as more of a program goal. Three candidate strategic objectives were tentatively and are discussed below.

IMPROVED HEALTH STATUS

Objective Tree

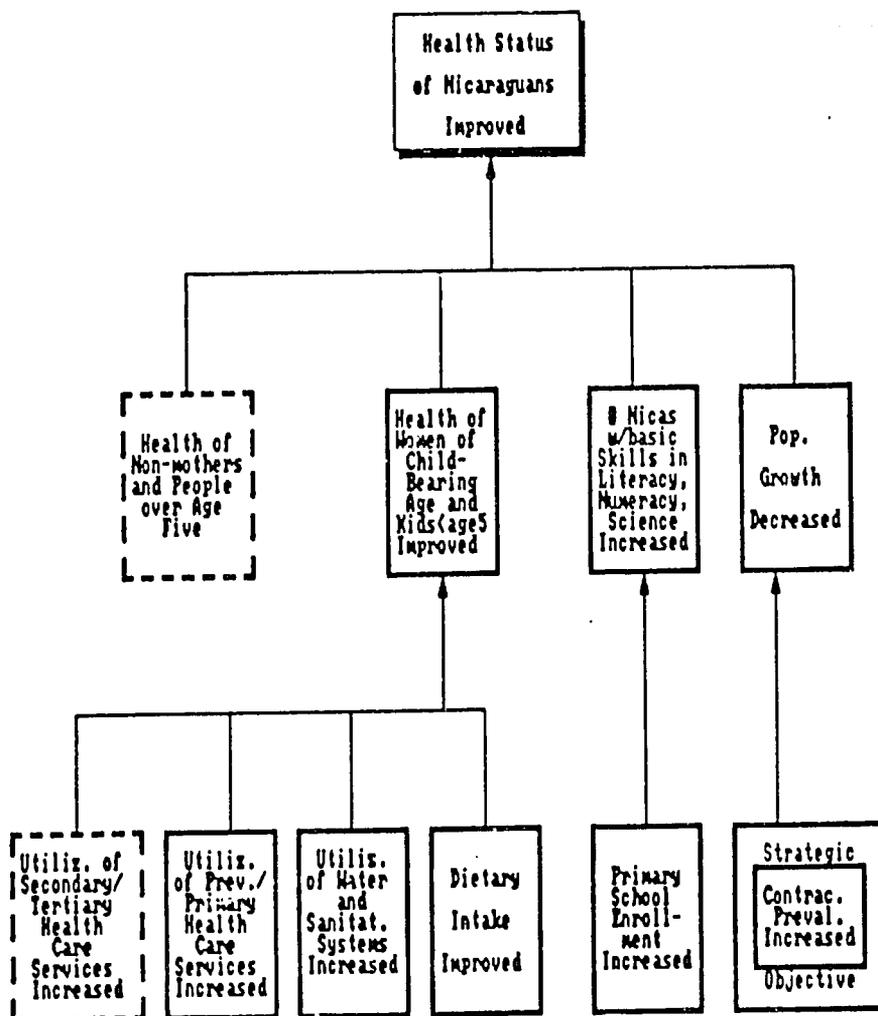


Figure 4.1 Overview of the Health Status Objective Tree

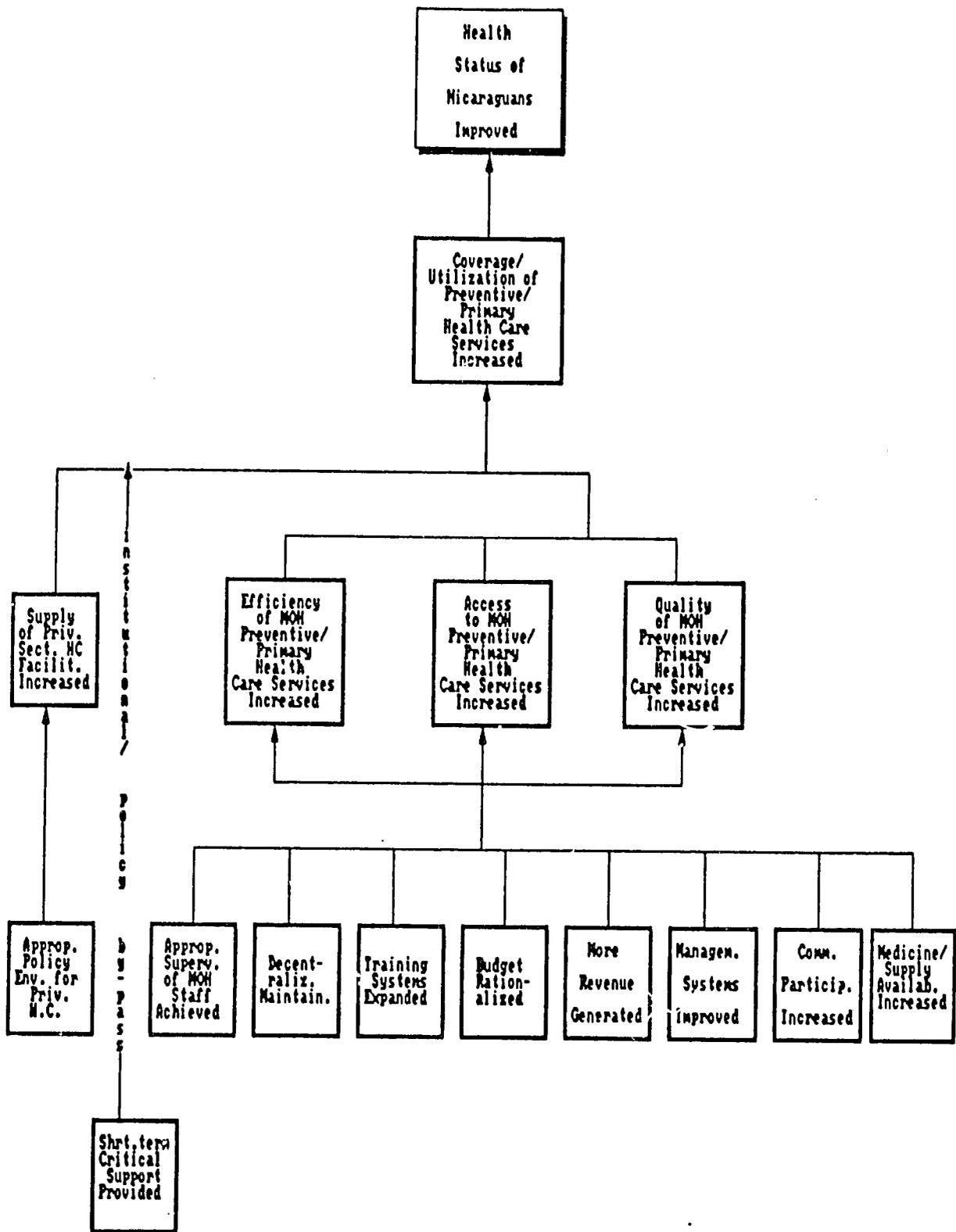


Figure 4.2 Health Care Branch of the Health Status Objective Tree

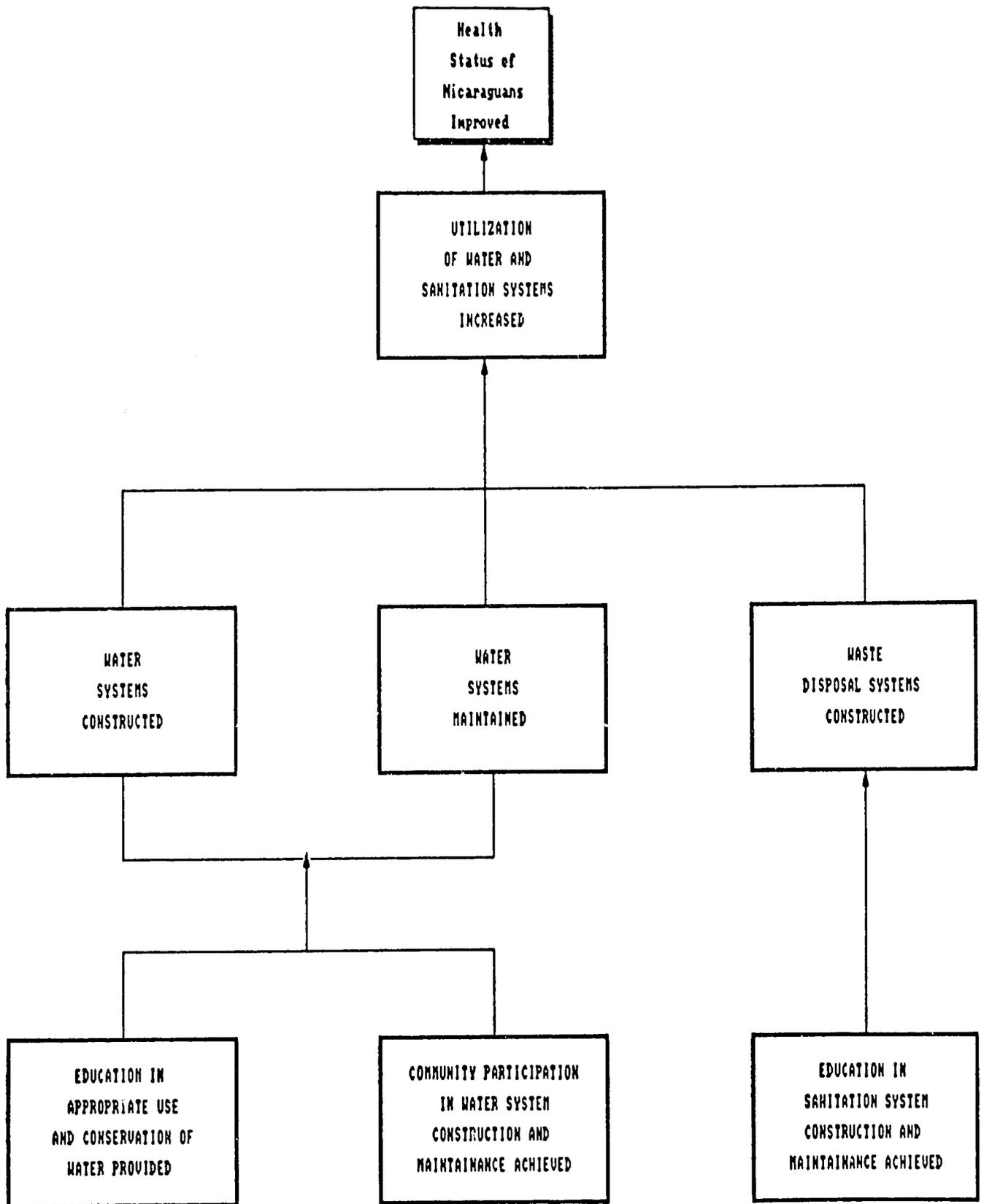


Figure 4.3 Water/Sanitation Branch of the Health Status Objective Tree

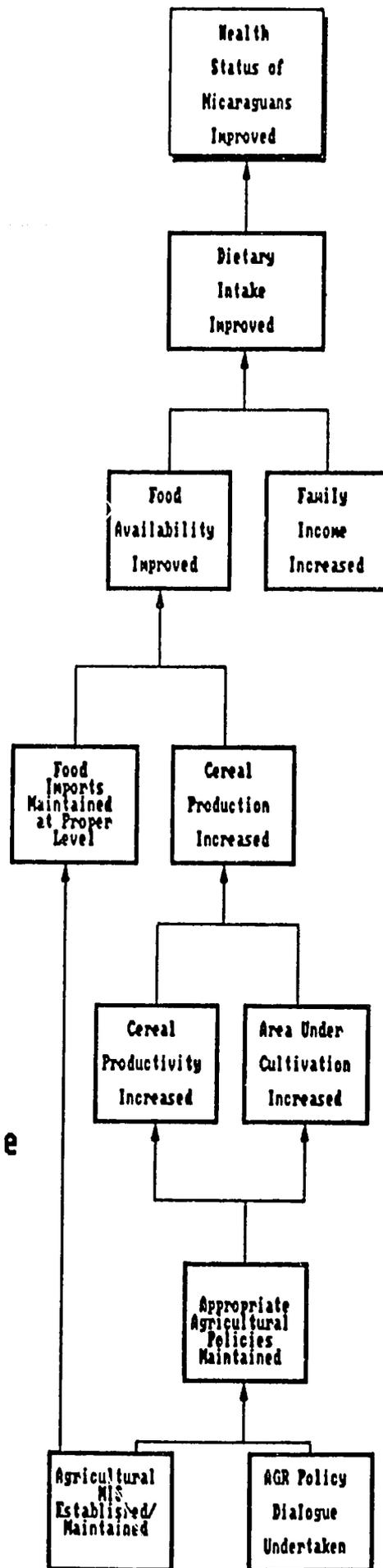


Figure 4.4 Diet Branch of the Health Status Objective Tree

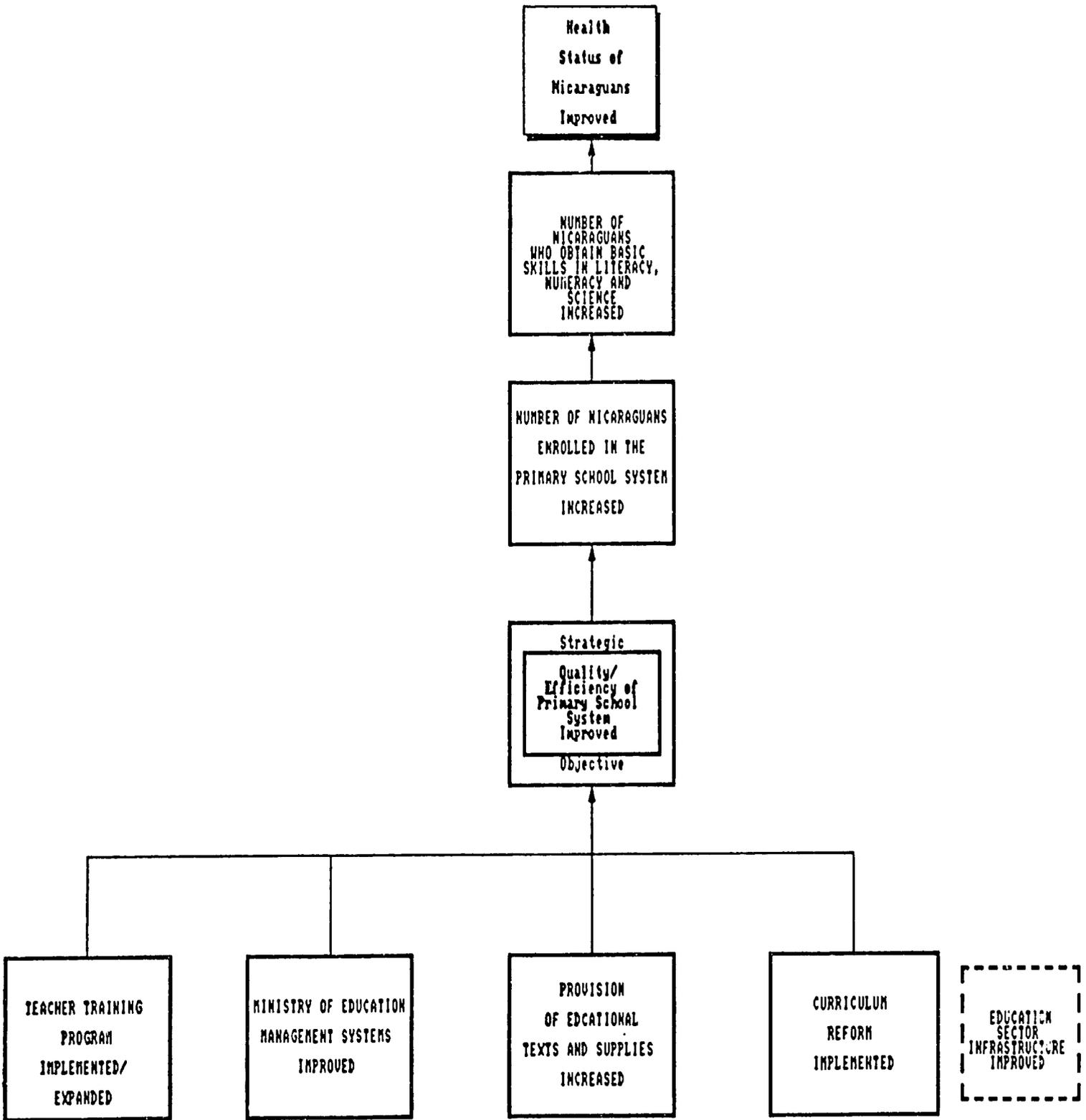


Figure 4.5 Education Branch of the Health Status Objective Tree

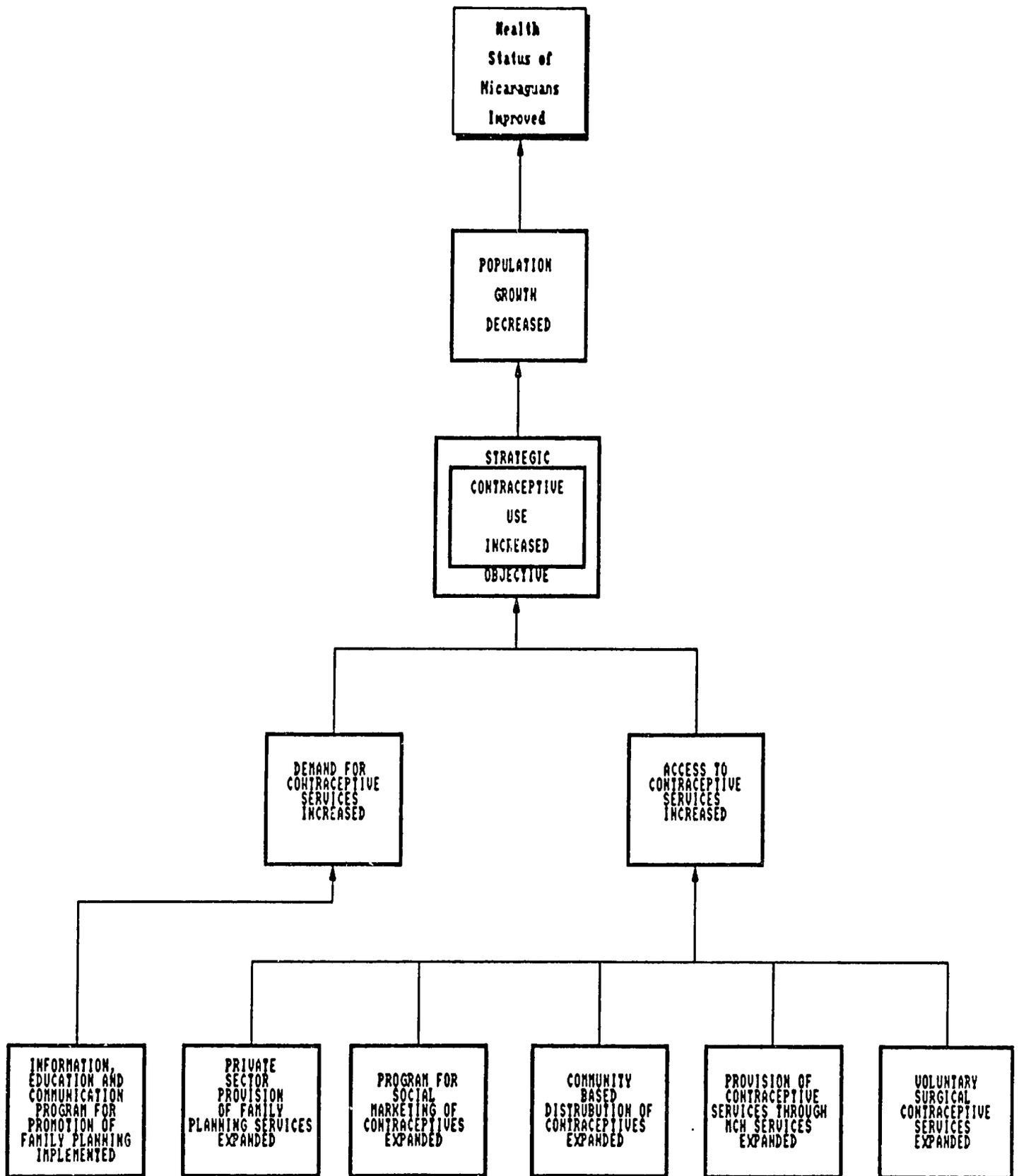


Figure 4.6 Population Branch of the Health Status Objective Tree

Objective No. 1:

A cluster of health care service provision activities will be selected and are likely to include (but probably will not be limited to):

- a. Increased immunization coverage; and
- b. Improved financing of the health sector.

These activities will be targeted to increase the coverage/utilization of preventive/primary health care services.

Donor activity in the health sector is exceptionally dense (as indicated in the Critical Needs Assessment) and the MOH is on the verge of publishing its 5-year plan for the health sector. Accordingly, the Mission will delay final setting of priorities until a full analysis of other donor activity and MOH priorities can be executed. The General Development Office will negotiate acceptable strategic objectives with senior management as part of the CDSS development process.

What is known about the strategy is that it will have short-term and medium-long-term dimensions. In the short term, the Mission will concentrate on interventions that require relatively little management input, which have maximum visibility, and which help alleviate the critical shortage of foreign exchange. Included are medical and pharmaceutical supply purchases, provision of textbooks, contribution to a national multi-donor effort in EPI through a PAHO umbrella and funding various PVOs active in the health sector. The composition of longer-term interventions will be determined by strategic decision taken as described above. In many cases, short-term interventions will provide benefits directly (such as food programs and employment generation projects) without altering the institutional or policy environment which caused the problems in the first place. Figure 4.2 represents such activities as by-passing institutional/policy changes with a long line that fails to intersect intermediate objectives.

Program Performance Indicators and Data Sources

Identification of the program performance indicators for a strategic objective in the health area, and the source of the data for the indicators must obviously await a final Mission decision on the strategic objective in this area. In order to facilitate this

process, a detailed list of strategic objectives, indicators and data sources is presented in Exhibit B.

Objective No.2

Increased contraceptive prevalence (Couple Years of Protection)

High fertility is a critical problem in Nicaragua. Although there are no precise demographic data available, it is estimated that the population growth rate is above 3 %, and that nearly half the population is under age 15.

The high rate of population growth exacerbates several critical development problems. Current high levels of unemployment can be expected to rise as large numbers of the youthful population seek to enter the work force each year, unless the economy can grow exceptionally quickly. The health sector is under great economic pressure to provide services for this young and growing population. Moreover, many acute health problems are associated with high fertility, including high rates of infant mortality and morbidity and maternal mortality, as well as increasing levels of infant and preschool age malnutrition. Similarly, the education sector is under increasing pressure to incorporate ever growing numbers of school-age children.

Program Performance Indicators and Data Sources

The performance indicator for this strategic objective is increased contraceptive prevalence, as measured by increases in Couple Years of Protection (CYP). Data for this indicator come from contraceptive prevalence surveys.

Objective No. 3

Improved quality and efficiency of the primary school system

There is a serious lack of accurate and reliable data in the educational sector. Data that are available indicate that the basic education system is woefully inefficient, requiring an inordinate number of years to complete a sixth-grade education. The quality of the instruction is also considered to seriously deficient. To improve, the system needs important technical inputs in areas such as teacher training and supervision, curriculum

reform. An education sector analysis, to be undertaken soon, will provide detailed information on these and other aspects of the system, and will the identification of specific targets for project design.

Program Performance Indicators and Data Sources

The performance indicators for Strategic Objective No. 3 are:

- Ratio of non-salary expenditure/number of students
- Number of years required to complete sixth grade, by gender
- Improvement in national achievement test performance, by gender. Data for these indicators will come from MOE service statistics.

Exhibit A

USAID/Managua

CRITICAL ISSUES ASSESSMENT -- HEALTHY POPULATION STRATEGY

A strategic planning tool designed to identify internal and external factors related to program development.

A. Internal (USAID/N) Scan

Issue

1. Human Resources

Present/Short-Term:

- Critical Shortage in professional and support staff
- Severely restricted administrative support

Middle/Long-Term:

- Rosy; sufficient staff positions planned

2. Financial Resources

Short-Term

- Adequate financing, given staff constraints
- No serious restrictions

Middle/Long-Term

- Difficult to quantify, but will probably have reductions
- Dependent on resolution of ESF vs. Social Sector priorities

3. Data Resources Available/Requirements for Planning/Evaluation

Serious lack of data for planning/management decisions across the board

- Little or no baseline data
- However, in short-term, data constraints are of secondary importance to human resource constraints
- Data unavailable and unreliable
- Lack of performance data on local PVOs

4. Comparative Weaknesses

- Inadequate staff and administrative support
- No in-country experience (few contacts, lack of network, etc.)
- Lack of reliable data

5. Comparative Strengths

- New program, not locked into previous commitments
- Unrestricted access to food resources
- Adequate financing
- Good support for Mission activities from Washington (priority country)

6. Organizational Structure and Culture

Young organization

- Began together
- High commitment
- Non-restrictive structure
- Undeveloped management systems
- Shared stress in starting Mission
- Persistent sense of humor
- Shared norms
- Camaraderie in the face of hardship and administrative hurdles

7. Present Strategy

- Basic education, primary and preventive health care, food assistance
- Short-term focus on quick turn-around high visibility projects
- Utilize buy-ins, centrally-funded projects and PVOs to reduce management requirements
- Selection of short-term project activities with low management obligation, seeking to buy time while setting longer-term strategy.
- Develop data base for project design and evaluation and for management decisions

INTERNAL SCAN CONCLUSIONS:

- * Critical constraints in the short-term in human resources and administrative support argue strongly for interventions with low management requirements and indicate a vulnerability in program design, implementation and monitoring;
- * In contrast, medium- to long-term strategies can incorporate activities that require greater management effort;
- * Financial resources pose no constraint to program development in the near-term but situation is less certain in the medium- to long-term;
- * A critical constraint to program development is the near total absence of reliable and timely data for program planning, evaluation and the opportunity for crisp project management;
- * Dearth of host country data collection and analysis capability argues for need to establish vigorous MIS within USAID for program activities ASAP.
- * The program has some special opportunities:
 - A. as a new, high-priority Mission it is not restricted by inheriting poorly designed existing projects but is likely to receive substantial resources. Additionally, the prospects for administrative, technical and programmatic support from USAID/Washington are good.
 - B. Camaraderie in the face of hardship and administrative hurdles, high commitment and identification with shared goals, a persistent sense of humor, and an enduring patience have created a strong sense of mission.
 - C. The program team displays strong energy to establish program activities and exceptional willingness to sublimate sectoral territoriality to achieve program goals.
- * Present strategy has emphasized primary and preventive health, basic education, and food assistance. Recognizing human resource and administrative constraints it has focused on interventions which require relatively low management effort such as "buy-ins" and established PVOs to get the program in motion. It has also emphasized data collection to inform program design, evaluation and management. The time is ripe for more comprehensive program planning.

Critical Issues Assessment

B. External (GON/Other Donor) Scan

Issue

1. Key Trends

Pop. health status

- Per capita food consumption declining
- Food prices rising
- Food availability decreasing
- Slight decreases in mortality
- Child malnutrition rising
- Immunization coverage rising
- Population increasing rapidly
- Severe shortages of medicines and medical supplies

Investment in education declining

- Lack of supplies in education
- Lack of information on trends in education sector

Health sector financing

- Serious problem
- Financing "gap" from removal of socialist country support
- Share of health expenditure financed by donors?

Exogenous factors

- Declining real income

Health threats

- Poor quality health care
- Shortage of medicines

Severe underfinancing of education

2. GON Policy/Priorities

- Continuing priority given to preventive/primary health care
- Commitment to decentralization and community involvement in health services
- Potable water still a large problem
- Education policy emphasizes basic education
- Health sector 5-year plan will soon be completed

3. Other Donor Activity (See Appendix)

- Health: field very crowded
- Donors active in virtually all areas of concern to health
- Education:
 - very little activity;
 - a vacuum after departure of Cubans;
 - UNICEF active; World Bank and OAS considering investing

4. Statutory Constraints

- Potentially important, research on new legislation pending
- Possible legal constraints to private sector activity in health, agriculture, and education

5. Opposition Political Pressures

- Potentially serious, but manageable
- Requires caution

6. USG/US Public Pressures

- Congress very intrusive
- Target group populations (Contra, Atlantic Coast, handicapped) of special concern to Congress
- Intense pressure to be active in health care/humanitarian projects

7. Constituent Data Requirements

- US government
 - Standard A.I.D. management reporting
 - Contra reintegration
 - Atlantic Coast development
- GON
 - To Ministries
 - Special need to show performance in social sectors at least as good as under Sandinistas
- Check with Janet on baseline data, MIS, and reference library.

8. AID/LAC/Central American Strategies

- Need to consider more fully
- In general, LAC Bureau appears to favor social sector activity which emphasizes sustainability and reducing MOH dependency on donor financing

EXTERNAL SCAN CONCLUSIONS:

- * In spite of the absence of strong national health statistics, several important key trends are apparent and should condition the selection of program priorities:
 1. declining per capita food consumption, decreasing food availability, rising food prices, and resultant increased prevalence of child malnutrition;
 2. gradually decreasing rates of child mortality and generally good and improving immunization coverage; and
 3. continued rapid absolute population increase.

- * Significant investment in basic education will be required to make substantial gains in educational status;
- * An important component to improving health status will be to improve the quality of health care and increase availability of medicines and medical supplies;
- * The GON continues to place high priority on preventive/primary health care and remains committed to decentralization and community participation. If implemented, this will bode well for continued gains in health status;
- * More information on national educational policy is needed;
- * Significant infrastructural problems remain related to health, particularly environmental sanitation and access to potable water;
- * The presence of many and diverse donors in the health sector will require careful coordination in program planning so as not to duplicate or displace other players;
- * 5-Year MOH health sector development plan will provide concrete guidance on GON priorities in health and may help prioritize USAID investments as well;
- * LAC Objectives point to the need to be sure that social sector investments are financially sustainable. In particular, Mission activities should attempt to stem the trend of donor displacement of GON investments in health and education;

- * Analysis of statutory constraints to activities contributing to improved health will be required in order to identify potential barriers to private sector initiatives in health, education, and agriculture;
- * As a high profile mission in Congress, special attention must be paid to effectively communicating program activities and impact to interested parties in the U.S. This need will be especially cogent for activities affecting the Contras, the Atlantic Coast, and the handicapped.
- * Effective and timely reporting on program activities, coverage, and impact will require accurate baseline data and an effective information collection and analysis system. Urgent attention will be required to compensate for the current lack of data and capacity of GON to collect, analyze, and use data.

EXHIBIT B

Suggested Program Performance Indicators

<u>OBJECTIVE</u>	<u>INDICATOR</u>	<u>SOURCE</u>
Health status of Nica population improved	-- life expectancy, by gender -- crude birth and death rates, by gender -- illness- and age-specific death rates, by gender	Nat'l stats
Health status of women of child-bearing age and children < age 5 improved	-- infant mort. rate, by gender --child mortality rate, by gender -- maternal mort. rate -- nutritional status of children < age 5, by gender	Nat'l stats " " " "
Coverage/utilization of prev./primary health care increased	--per capita consultations, by age, and by risk group --coverage for child survival interventions (EPI, ORT, etc.)	MOH; proj.data; special surveys
Utilization of water and sanitation systems increased	-- # of users of water and sanitation systems built, by gender	Project data
Supply of private sector health care services increased	--# of facilities, by type of services provided -- # of consultations provided in private sector	Provider survey
Quality of primary/preventive health care improved	--standard indicators of quality: eg pediatric and obstetric services coverage, immunization coverage, ORT, etc.	Project data and special study

Access to preventive/ primary health care increased	-- physical proximity and adequate capacity to satisfy demand	Special study and project data
Efficiency of prev./ primary health care increased	--ratio of recurrent expenditure/ # of consultations	MOH stats.
# of Nicas who attain skills in basic literacy, numeracy and developed science increased	-- National achievement test results, by gender	MOE data; test needs to be
Number of Nicaraguans enrolled in primary schools increased	-- enrollment in primary school, by gender, by grade, and by age	MOE data
Efficiency of primary school system improved	-- ratio of non--salary expenditure/# of students -- # of years to reach sixth grade, by gender	MOE data "
Quality of primary school system improved	-- improvements in student learning indicators (test scores)	MOE data
Population growth reduced	--population growth rate	Nat'l census
Contraceptive increased of protection	--couple years surveys (CYP)	P r e v a l e n c e
Demand for contraceptive services increased	--attitudes and behaviors related to contraceptive use, by gender	KAP surveys
Access to contraceptive	--numbers of points of contraceptive service	Provider survey

services increased

provision

Dietary Intake
Improved

--per capita food
consumption (proteins
calories, essential
vitamins) disaggregated
by gender and risk
group

Survey data

Availability of
food increased

--amount of food in
market place, by
basic crop

Market survey

Family income
increased

--family income,
disaggregated by
gender

Household
survey

Basic grain
production
increased

--total production,
by crop

MOA data

Basic grain
productivity
increased

--production/hectare/
crop
--production/worker/
crop

MOA data

Area under
cultivation
increased

--hectares under
cultivation

MOA data;
project data

SECTION FIVE

SUB-STRATEGY FOR THE ATLANTIC COAST

A. BACKGROUND

The Atlantic Zone comprises about 1/3 of the geographic area of Nicaragua and approximately 6% of the total population. This includes what are thought to be some of the most depressed areas in the country. Lack of factual information, however, currently prevents verification of this perception. The absence of accurate data on virtually all critical development factors is a major constraint to strategic planning for the region. For example, population estimates range anywhere from 40,000 to 180,000 for the southern part of the zone. Other data are equally unreliable.

There is, concurrent with the need for careful assessment of the situation in the Atlantic Zone before beginning special interventions, pressure through the U. S. Congress and other groups for immediate attention in the form of food distribution and other disaster mitigation efforts related to periodic severe flooding. Such pressures, including congressional resolutions, emphasize the need for careful documentation of activities and the ability to articulate their impact on specific target groups (e.g. the ex-Contras and the Mesquito Indians). USAID/Nicaragua is now engaged in the first of what may be a series of assessments in the area.

PVO activity is expected to increase rapidly in the Atlantic Coast region; UNHER, Habitat Intn'l, the Moravians, CEDA, and the Catholic Church have either existing or planned activities in the area. About \$10M in projects funded by European donors are about to commence, with emphasis on health, rehabilitation and schools.

At the first plenary session the Mission identified the need for an Atlantic Zone sub-strategy. Because of the critical political considerations, Mission Director Janet Ballantyne indicated this sub-strategy would be defined on the basis of her discussion with the Ambassador. Team members include Ms. Ballantyne, Liliana Ayalde of the General Development Office, Brian Rudert of the Agriculture Office. Robert Klein of Management Systems International and Rosalie Huisinga Norem of PPC/WID facilitated the work of the group.

Two meetings were held with the team members during which time an objective tree was developed for the sub-strategy. This objective tree was presented in the second plenary meeting on January 18th. The overall objective in the sub-strategy is economic self-sufficiency for the Atlantic Coast Region. This, and the sub-objectives of improved health, improved employment opportunities, and the protection of indigenous rights are congruous with the USAID's overall objective tree. Specific implementation emphases important for the region are shown in Figure 5.1 in boxes marked with diamonds inside the squares. Following this logic, no strategic objectives were identified for the sub-strategy.

Indicators for the overall objectives will be collected consistent with other monitoring efforts; while development of specific indicators for activities in the Atlantic Zone awaits completion of a needs assessment currently being conducted by a consultant. When the consultant's report is completed, USAID will finalize decisions about specific indicators.

B. OBJECTIVE TREE ANALYSIS

Economic self-sufficiency for the Atlantic Coast Region will be promoted by the objectives of Improved Health, Improved Education, Improved Employment Opportunities, and the Protection of Human Rights.

Improved Health Status for Nicaraguans is a sub-goal in the social sector objective tree for the Mission. Specific efforts to provide bilingual education, and to increase local food production are identified as activities for the Atlantic Coast. Bilingual education will also support an increase in the number of Nicaraguans in the region who obtain basic skills in literacy, numeracy and science. This increase in basic skills in literacy, numeracy and science is also a sub-goal in the social sector objective tree for the Mission.

Specific activities to generate new export industries, and reactivate traditional industries support implementation of the Mission's strategic objective of sustainable broad-based economic growth in the Atlantic Coast Region. This strategic objective is further supported through the establishment of managed areas, the development of sound management policy, identification of market alternatives, and the development of financial alternatives.

Figure 5.1 diagrams the relationship of specific activities in the region to objectives which are part of the overall strategy. There is some inconsistency in wording because the objective trees were developed independently, but the concepts in the sub-strategy which are identified as part of the overall strategy reflect parallel concepts in other Objective Trees developed by the Mission.

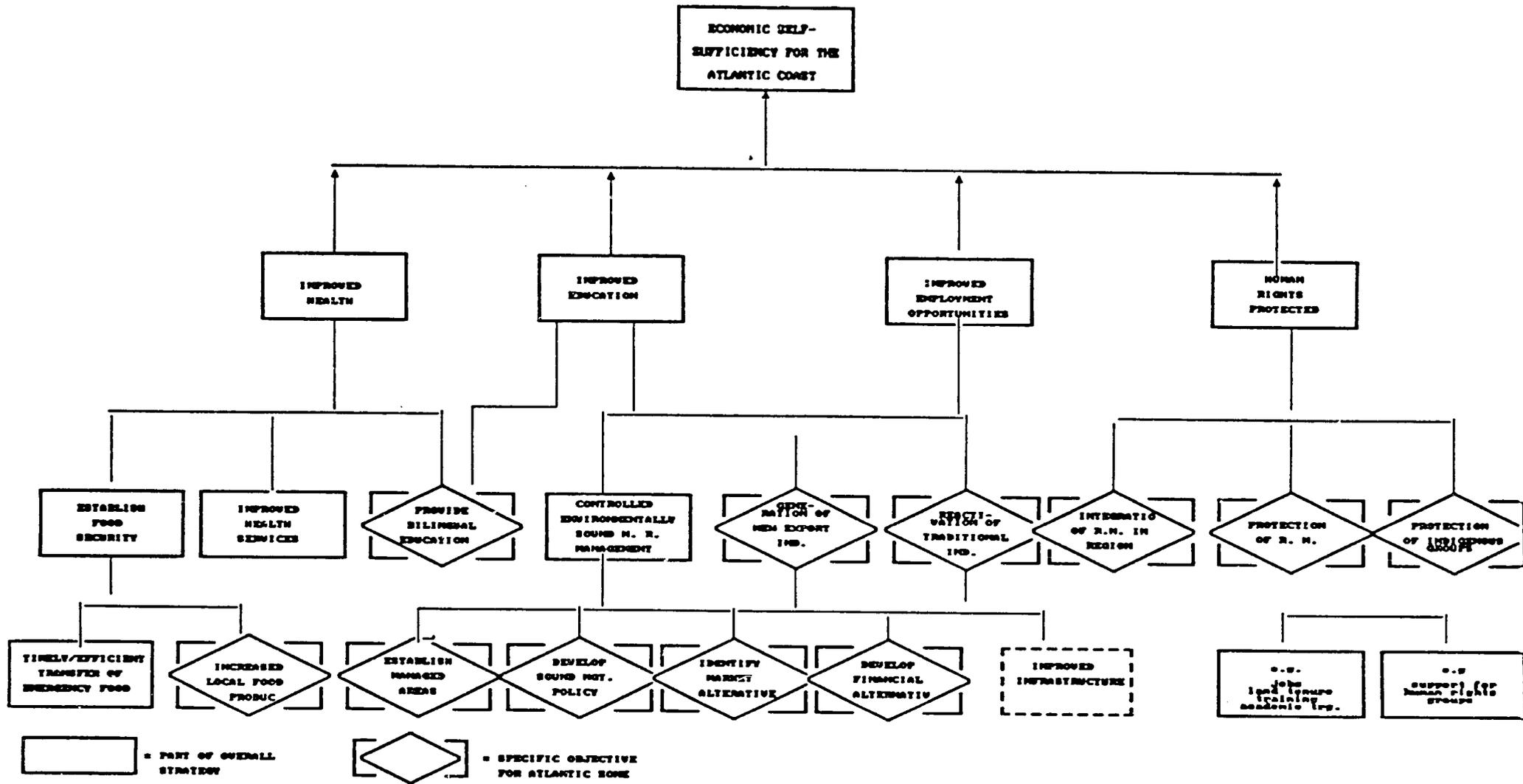


Figure 5.1 Atlantic Coast Sub-Strategy

SECTION SIX

SUB-STRATEGY FOR THE CONTRAS

A. BACKGROUND

In contrast to the situation in the Atlantic Zone, USAID has good information about who the Contras are, so it is possible to monitor the amount and impact of aid reaching the group. USAID has a bottom line of providing protection from persecution and a reasonable chance for Contras to become self-sufficient. This will mean assuring that they receive a "fair share" of the USAID's program and in some instances, short-term special attention. The latter has been enhanced through relatively successful short-term aid provided by the OAS. Land issues between the GON and the Contras are likely to hinder progress in terms of self-sufficiency.

Approximately 2/3 of the aid designated for the Contras is for the cash procurement of food, with about 95,500 beneficiaries currently participating in the program. It is critical to set criteria for when people go off food aid while there is still sufficient length of project for reallocation of funds to achieve maximum positive impact.

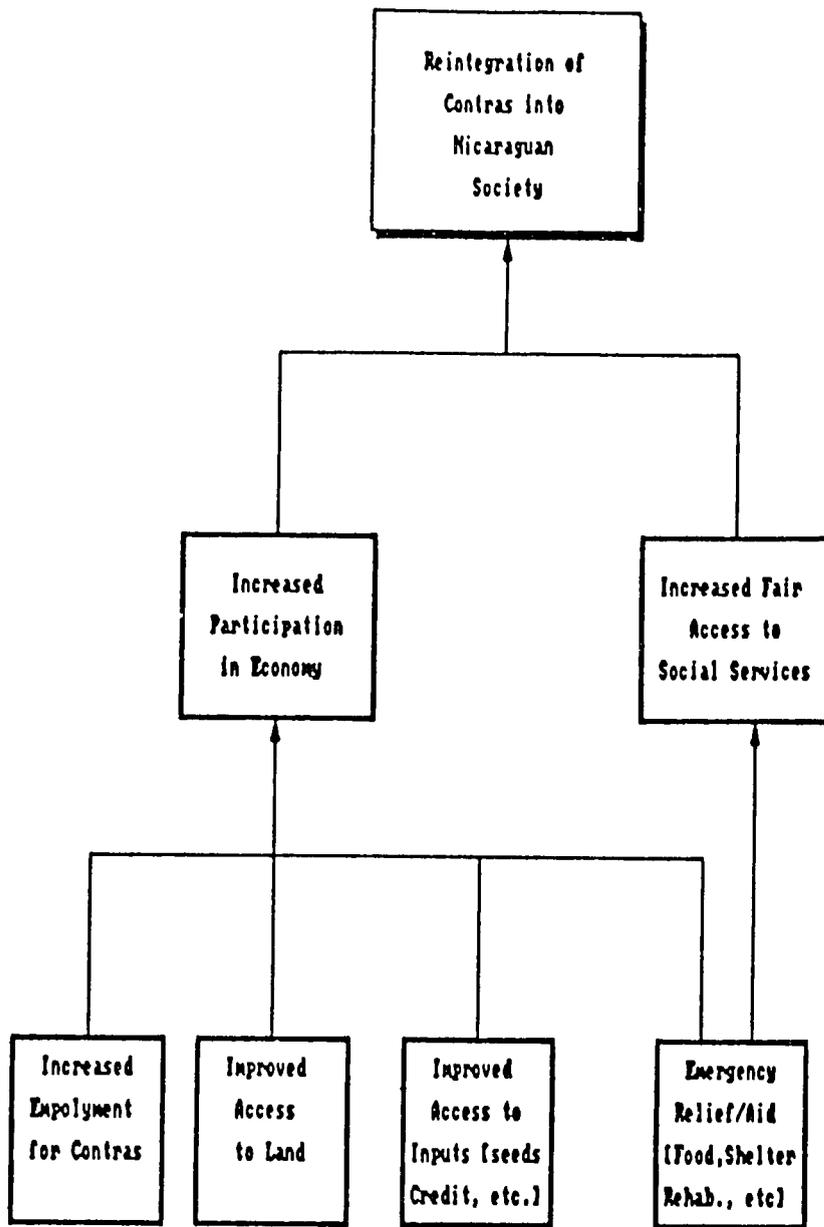
USAID goals may more logically be focused on what chance the Contras are given to benefit from Mission programs rather than on what they actually achieve.

B. SUB-STRATEGY ANALYSIS

The sub-group for the Contra sub-strategy was unable to meet due to time constraints, but MSI/AID Consultancy team members Robert Klein and Mark Renzi held discussions individually with Liliana Ayalde, Mila Brooks, and Frank Valva. Since there is good information on who the Contras are, it is possible to monitor the amount and impact of aid reaching the group. The principal concerns seems to be provision (insuring) protection and promotion of reintegration to promote self-sufficiency.

Discussion during the plenary sessions addressed the question of whether there should be a separate sub-strategy for the Contra group. The Mission needs to have information about assistance reaching this group and agreed to carry out a "next step" of identifying an information "wish list" of needed information and

the development of plans to collect such information. Apart from some special attention, including emergency aid, the thrust of the Mission policy will be to address "Contra concerns" in the context of national development programs, and to work to insure that the Contras receive their fair share of the development pie. Figure 6.1 illustrates the planned thrust of Mission efforts to reintegrate the Contras into Nicaraguan Society. The sub-objectives are all subsumed in the overall program of the Mission - specific efforts will focus on making sure the Contras receive their "fair share" of development aid.



- ISSUES: 1. Poles de desarrollo
 Vs.
 Broad-based social integration
2. Treat as cross-cutting issue; no special program; fair share of development pie

Figure 6.1 Contra Sub-Strategy

SECTION SEVEN

SUB-STRATEGY FOR THE SANDINISTAS

A. BACKGROUND

Based on discussion in the first USAID plenary planning meeting, a USAID sub-strategy with objectives focusing on the Sandinista Party in Nicaragua was developed by team members Todd Amani of the program division, John Cloutier, project development and implementation office, Mila Brooks, democratic initiatives division, Robert Klein, Management Systems International, and Rosalie Huisinga Norem, PPC/WID.

The team, after considering alternatives for integration of the Sandinistas into the larger social and institutional system, developed a limited objective tree. After discussion in the third plenary, this was subsumed as specific activities for objectives in the USAID Democratic Initiatives strategy.

B. SUB-STRATEGY ANALYSIS

No sub-strategy for the Sandinistas will be identified by the Mission. The discussion did, however, identify the critical need for the Mission to develop a statement of operating procedures for working with Sandinistas in carrying out Mission policy and objectives.

SECTION EIGHT
CROSS-CUTTING ISSUES

A. ISSUES OF IMPORTANCE FOR ALL A.I.D. MISSIONS

In its opening presentation to the USAID/Nicaragua staff, the MSI/AID consultancy team identified three cross-cutting issues which are important for all A.I.D. Missions to consider as the develop performance objectives and indicators. Those three issues were (1) the role of women in development, (2) the importance of planning for sustainable results and (3) the importance of preserving the environment as development proceeds. Each of these cross-cutting issues is examined briefly in the context of USAID/Nicaragua's strategic planning effort.

1. Women in Development

USAID/Nicaragua strategic planning effort has not yet reached the point where gender issues need to be considered, but it is rapidly approaching that point. Gender issues need to be considered as strategies are designed as well as at the point where results are measured. It will be important for the Mission to examine, for example, the degree to which women as well as men might be involved in efforts to expand light manufacturing and the export of non-traditional agricultural products. One of the objectives of both these efforts is to create jobs in Nicaragua's economy. The Mission will need to examine its strategy in this regard to ensure that it offers opportunities for both men and women.

As it approaches the task of developing indicators and setting performance targets against its program goals, sub-goals and Strategic Objectives, USAID/Nicaragua should pay careful attention to the disaggregation of all people-level indicators by gender as program and project performance systems are developed. A good start has been made toward this effort in the indicators in the social sector objective tree in this report. The further development of indicators under democratic initiatives and sustained, broad-based economic growth should pay careful attention to gender-related variables. Detailed recommendations on this issue are included as Exhibit C of this report. Monitoring of progress on WID issues should be done on a periodic basis to assure disaggregated data are being collected. The Mission should assure

that contractor scopes of work reflect this focus so gender will be included starting in the design of interventions.

2. Sustainability

At the project level, the term sustainability has several meanings, including:

- o A continued stream of benefits, long after the project ends;
- o A recurrent cost financing, managerial and institutional basis for continuing to provide project goods and services after the period of A.I.D. financing ends, and
- o The care taken to ensure that projects do not harm the environment upon which water supplies, long term production and extraction and other development inputs depend.

At the program level, the same type of issues must be considered even though A.I.D.'s direct control over the sustainability of program actions and benefits may be more tenuous.

At the program level, missions are also finding that the term sustainability has some connotations which do not tend to emerge in project level work. As all international donors are learning, governments that are not committed to the policy changes they adopt often abandon them. Such issues warrant attention in Nicaragua.

Within the framework of the strategic planning exercise, USAID/Nicaragua has demonstrated a sensitivity to sustainability issues that should serve it well as this work continues. Its treatment of natural resources in the economic growth Objective Tree reflects this concern, as does the inclusion of a "diversified product base", which should lessen Nicaragua's vulnerability to price shifts in commodity markets, in its economic growth strategy. Concerns with the sustainability of Nicaragua's democracy over both the short and long-term which were raised by the democratic initiatives working group also indicated an understanding of how this cross-cutting issue may take shape at the program level.

Even as the Mission deals with novel connotations it should continue to pay close attention to the basic meanings A.I.D. has identified from its project level work. If ignored, any and all of these can lessen the impact of the Mission's work

3. The Environment

As noted above, USAID/Nicaragua appears to have a sound grasp on natural resource use issues. Cautionary comments on this issue do not seem to be required.

B. ISSUES THAT HAVE PARTICULAR IMPORTANCE FOR USAID/NICARAGUA

During the course of the consultancy it became apparent to Mission staff and to the consultancy team that a number of issues emerged on a recurrent basis as Objective Trees were developed. Education was one such issue. Demands for educational attainment appeared repeatedly. Policy dialogue and reform was another recurrent theme in the Objective Trees which Mission staff developed, as was the enactment and enforcement of a variety of laws. In all of these areas, the Mission appeared to have activities, or be aware of activities, that could produce the types of results required to achieve the higher level objectives it identified.

In a similar vein, a number of Mission staff expressed a high degree of interest in seeing merit introduced into the Nicaraguan society as the basis for promotions and for access to a variety of resources. This concern has been reflected directly, though perhaps not adequately, in several of the Objective Trees the Mission staff prepared.

The one cross-cutting issue which did not seem to reach resolution during the consultancy period, and about which there was much discussion during working groups sessions and "after hours", was governance -- was the effectiveness of Nicaragua's public sector. One reason for the many discussions of this issue was the tension that exists between the Mission's desire to see the role of government de-emphasized and counter-balanced and the necessity of working with and through government in those areas where it has a natural and continuing role.

At the final plenary session, an ad hoc staff group presented a mini-tree which tied together a number of these discussions. Figure 8 presents that diagram. As the Mission moves forward with its strategic planning exercise, it has committed itself to examine

this mini-tree and decide whether some portions of it warrant inclusion in the USAID/Nicaragua strategy.

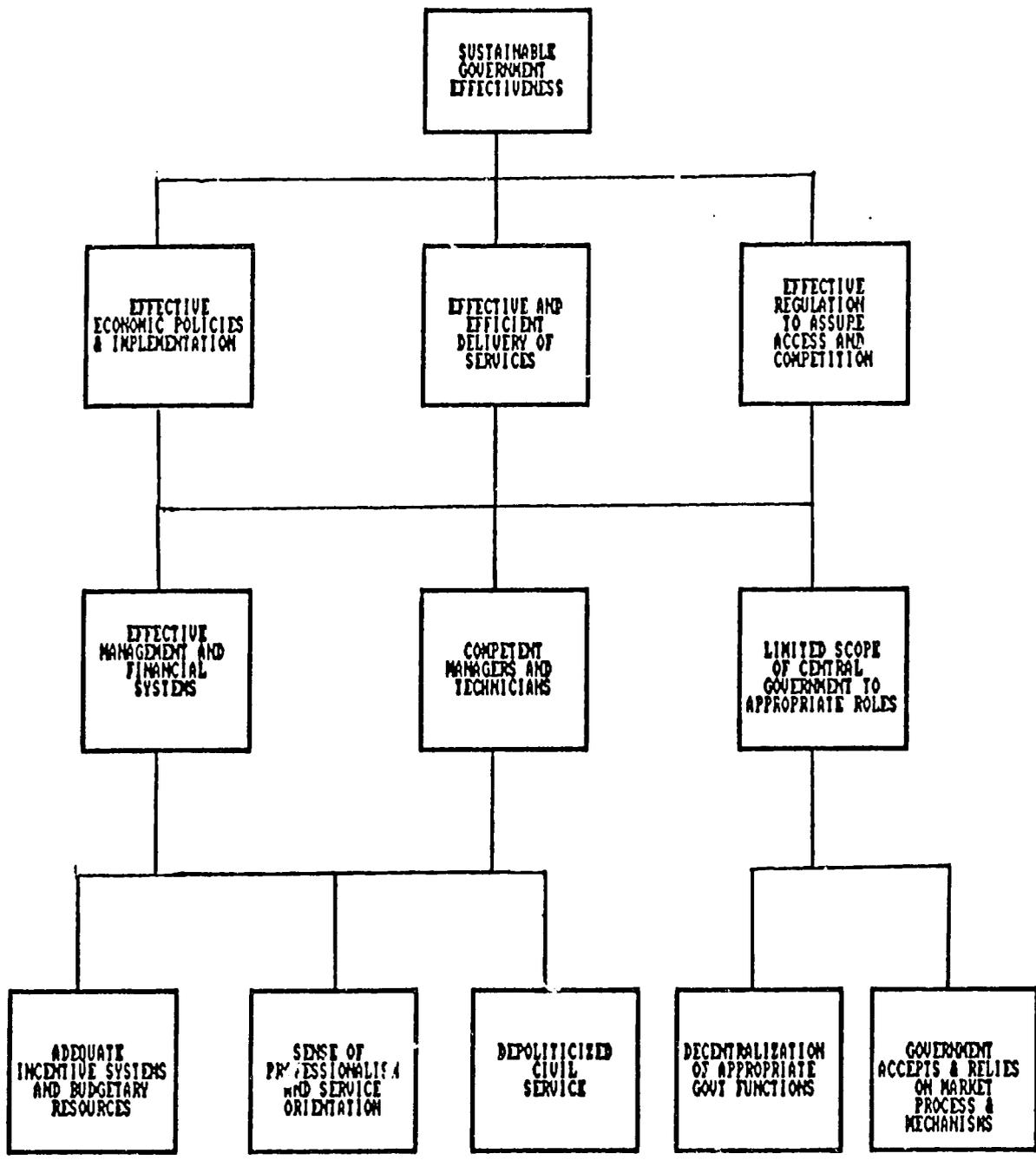


Figure 8.1 Mini-Tree on Governance

EXHIBIT C

Issues in Monitoring Women in Development Indicators

Congressional appropriations legislation since FY 1989 requires that women be fully integrated into all A.I.D. assistance activities. In consequence, the Women in Development Office of A.I.D. is required to report biannually to Congress on progress made toward this end. In order to comply with this mandate, PPC/WID must assure that USAID Missions report systematically across sectors on issues and indicators relative to the full integration of women into development assistance activities.

Issues relevant to the integration of women into USAID/Nicaragua assistance activities are found under all strategic objectives. However, in order to measure female integration as participants, agents, and beneficiaries in the service of objective achievement, it is necessary to seek one or more indicators under each objective which measure people-level participation and impacts. This is not always self-evident, but it is necessary if USAID/Nicaragua is to comply with the Congressional mandate.

The following gender-disaggregated sectoral indicators are examples which may be employed, as appropriate, in order to monitor the integration of women cross-sectorally in USAID/Nicaragua programs and projects. These indicators will normally be found at the level of project and program outputs contributing directly to Mission strategic objectives. Measures developed at the level of strategic objectives, moreover, should include at least one gender-disaggregated people-related performance indicator. Where this is not possible because of data limitations, explanation should be made in Mission reporting documents (SAR, Action Plan, future Program Performance reporting).

Gender-disaggregated Indicators by Assistance Sector

Agriculture (Gender-disaggregated)

- Increases in income and employment through project activities (intra-household analysis preferable).
- Number of beneficiaries of technical assistance and extension activities by type of assistance and extension input.
- Number of beneficiaries of credit programs by type of benefits.
- Number of participants in training activities by type of training.

Natural Resource Management (Gender-disaggregated)

- Changes in income and employment resulting from project activities (intra-household analysis preferable).
- Number of beneficiaries of technical assistance and extension activities by type of assistance and extension input.
- Number of participants in training and educational activities by type of training.
- Number of public and private sector actors in implementing project activities.
- Time and labor allocation changes for participants and beneficiaries of project activities by type of change.

Health (Gender-disaggregated)

- Decrease in infant mortality rates.
- Improvement in nutritional status of children (weight for age, weight, and height).
- Increase in vaccination coverage rates.
- Decrease in mortality rates for diarrhea and respiratory illness.
- Increase in oral rehydration use rates.
- Improvement in potable water and sanitation coverage (access to clean water, use of latrines).
- Number of direct project participants and beneficiaries by type of participation and benefit.

Education (Gender-disaggregated)

- Number of persons trained or educated through project activities by type of training or education program.
- Number of teachers assisted through project activities by type of assistance.
- Number of bilingual teachers assigned to relevant project areas.
- Enrollment by grade in project target areas.
- Ratio of enrollment to eligible population in project target areas.
- Ratio of children age 14 who have completed 6th grade to total number of children age 14 in project target areas (including cross-sex comparison).

- Ratio of years to produce a female 6th grade graduate to years to produce a male 6th grade graduate in project target areas.
- Adult literacy rates and cross-sex ratio.
- Bilingualism rate and cross-sex ratio.

Private Sector (Gender-disaggregated)

- Changes in ownership, management, and employment profile of firms targeted by project assistance activities.
- Number and types of jobs created.
- Number and type of businesses assisted by ownership profile.
- Number of beneficiaries of technical assistance efforts by type of technical assistance.
- Number of recipients of business loans by type of credit extended.
- Number of participants in training activities by type of training.
- Ownership and management profile of export-oriented firms.

Democratic Initiatives (Gender-disaggregated)

- Attitudes of persons surveyed regarding the viability of key democratic institutions and the citizens' willingness to participate in the democratic process.
- Cases of human rights violation by type of violation (murder, abduction, assault, incarceration) as monitored by a human rights violations reporting system.
- Persons trained or educated under project by type of training.
- Number of persons filing criminal complaints before and after project activities.
- Number of convictions for criminal complaints (murder, abduction, and assault) before and after project assistance activities.
- Ratio of persons registered to vote to total eligible to register.
- Ratio of persons voting to number registered to vote.
- Cross-sex ratio of population voting rates.

Monitoring WID Issues and Indicators under Strategic Objectives

At the level of program outputs and project activities, efforts must be made to secure gender-disaggregated, people-level participation and impact data through individual project monitoring systems. These are required, in any case, in USAID/Nicaragua Semi-annual Reports. Many of the desired

indicators have been listed by sector above. Special studies may be necessary as new programs and projects are developed with appropriate people-level monitoring systems.

SECTION NINE

"NEXT STEPS"

A. OVERVIEW

USAID/Nicaragua elected to undertake utilize the consultancy described in this report as one of its pre-CDSS planning exercises. As the Mission's CDSS process outline, which is provided in Figure 9.1, suggests, the Mission intends to develop its strategy during the first months of 1991.

As a "brainstorming and strategizing" exercise, the consultancy, which emphasized the need to define a structure of objectives within which Mission options could be defined, has provided Mission staff with an opportunity to exchange ideas and, in a number of instances, to identify areas of agreement as well as disagreement.

At another level, the consultancy ends with much work remaining to be done. A number of very coherent structures of objectives have been developed. Even within the democratic initiatives area some portions of the objective structure are quite strong -- even as Mission staff continue to struggle with the difficulties that field poses. While objectives have been developed, they have not yet been put to the all of the tests to which they need to be put. Some statements of objectives remain little more than vague terms which, if Mission staff were asked to define, might well generate a range of answers. The majority of these objectives also lack indicators at this point in time. Indicators, like definitions, tend to put pressure on statements of objectives -- forcing clarity and helping Mission staff to determine whether their efforts will really be adequate to produce measurable change along an objective, and verifiable dimension.

Almost across the board, Mission staff will need to put in additional efforts to bring the exercise it has begun to the point where it will truly serve as a basis for defining a sound program, monitoring its progress and evaluating its success. The steps which remain to be taken for most of the branches on the Objective Trees developed during the consultancy period include:

CDSS PROCESS

STEP	TASKS	OUTCOME	TIMING	FORUM	RESPONSIBLE PERSONS
ESTABLISH VISION	<p>Clarify USAID/NIC "vision", consider various conceptualizations of "development":</p> <ul style="list-style-type: none"> o What would a "developed" Nicaragua look like? 	Synthesis of development definitions appropriate for Nicaragua	Early October	Luncheon meeting or afternoon staff "mini-retreat"	PROGRAM OFFICE organizes and leads mini-retreat
DESCRIPTION and DIAGNOSIS	<p>Analyze and clarify the nature of problems facing Nicaragua and identify what will be required for Nicaraguan "development":</p> <ul style="list-style-type: none"> o What needs must be addressed for development to take place in Nicaragua? o What must be done to meet those needs? 	Brief summary statements of sector needs as basis for retreat	October through January	PO&S funded sector assessments, technical officer analysis, etc.	Contractors, and all mission staff
BRAINSTORMING and STRATEGIZING	<p>Develop alternatives and options for USAID/Nicaragua's development interventions - think creatively about how AID resources can help meet critical development needs, and jump-start processes and institutions that are critical to Nicaraguan development:</p> <p>Force ourselves to craft alternative strategies along the following lines:</p> <ul style="list-style-type: none"> o 100% program/sector grants - no projects o No use of "beltway bandits" o A "basic needs" approach o An "economic growth" approach o Primary focus on "political development" o A "now for something completely different" approach 	<p>Written ideas and options for addressing Nicaraguan development needs</p> <p>Alternative strategies and creative OYB's</p>	January	Full-blown retreat - 3 days	PROGRAM OFFICE organizes and leads retreat, all mission staff participate
FINALIZE STRATEGY	<p>Consider alternatives and decide on a strategy which makes the most development sense considering the following factors:</p> <ul style="list-style-type: none"> o Nicaraguan needs and political realities o AID's strengths and experience o Constraints on AID assistance - e.g. legislation, AID/W political realities o Work of other donors o USAID/NIC staff capabilities <p>Draft preliminary CDSS and discuss in mission - come to consensus and finalize</p>	<p>Draft CDSS</p> <p>Final CDSS</p>	<p>February and March</p> <p>April</p>	Ad hoc meetings and special staff meetings	Mission Director, Deputy Director, section heads, and PROGRAM OFFICE (which will have primary drafting responsibility)
COMMUNICATE and PROMOTE STRATEGY	<p>Get key people on board with draft CDSS in order to gain AID/W and Congressional approval - discuss key aspects informally with key people, get TDY'ers to help finalize the CDSS and co-opt them.....</p>	Approved CDSS	April and May	Informal meetings	Mission Director and Deputy Director

Figure 9.1 USAID/Nicaragua CDSS Development Outline

- o The substitution of objective and concrete statements of objectives for vague or ambiguous statements;
- o Careful review of the Objective Trees to ensure that the conditions required to achieve a given objective have actually been incorporated into the tree;
- o The identification of a meaningful set of indicators for measuring performance against each of the Mission's program goals, sub-goals and Strategic Objectives -- as well as for those subordinate objectives and assumptions on which Strategic Objectives depend, as illustrated in Figure 9.2;
- o The establishment of quality, quantity, time and gender targets for each indicator;
- o The identification of existing data sources or alternative means for verifying whether these targets are being achieved as the CDSS period proceeds;
- o An analysis of the overlap in objectives and indicators between Objective Trees and sub-strategies;
- o An analysis of the degree to which information gathering requirements that emerge from this process can be incorporated into Mission projects and other activities that incorporate data gathering and analysis;
- o An analysis of ways in which information which is gathered concerning Mission progress with respect to its program objectives can and should be used, i.e., to what degree can specific types of information serve both Mission management needs and Congressional/public relations requirements.
- o The development of a Mission-useful management system which ensures that the information the Mission wants to have available actually appears when it is needed. Such a system should be simple, powerful and efficient, and its implementation demands on Mission staff time should be minimized.

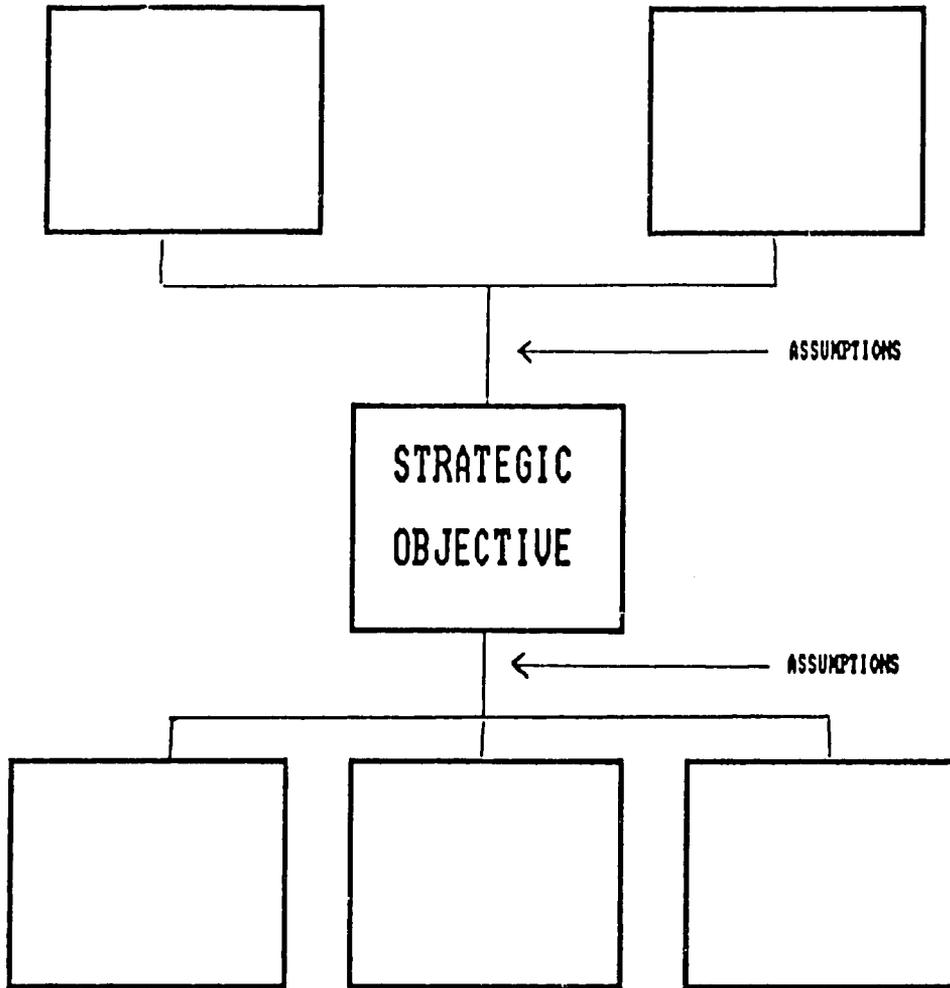


Figure 9.2 Cluster of Objectives and Assumptions Around A Strategic Objective on Which Performance Should be Tracked

Figure 9.3 provides a schematic view of this process as the MSI/AID consultancy team believes it might evolve for the various Objective Trees and sub-strategies the Mission has begun to develop. Ideally, this work would be completed prior to the submission of the Mission's CDSS. Key elements, such as indicators and targets for program goals, sub-goals and Strategic Objectives should be incorporated into that document.

The levels/uses analysis mentioned in Figure 9.3 is not a complex task. It is one that can, in principle, be carried out by each of the working groups as indicators are developed. Figure 9.4 shows a table on which Mission judgements concerning the ways in which information on a particular performance indicator might be used. The rows of the table are designed to help the Mission analyze whether the information that is needed to assess performance on a particular objective can be collected through projects and where special data gathering efforts for program level information might be required. Baseline data requirements can also be analyzed using this table -- as both progress measures and efforts to examine causality tend to require information about conditions prior to or at the beginning of an intervention. Alternatively, where responses to external inquiries are a key information use category, simple techniques, such as subject matter files of newspaper clippings can be useful. For particular populations on which extensive data is needed, techniques such as client records, of the type A.I.D. keeps on participants, might well emerge as a suitable information gathering technique.

In several substantive areas, Mission staff have indicated to the MSI/AID consultancy team that they feel well equipped to take a number of the steps outline above and in Figure 9.3 for the Objective Trees on which they worked. In other areas, such as democratic initiatives, additional assistance may be warranted as may assistance in looking across trees for common data requirements and undertaking other analyses for the Mission that anticipate the development of a program level Management Information System.

At the Mission Director's request, the MSI/AID team will examine with PPC/CDIE ways in which additional assistance with these tasks might be provided to USAID/Nicaragua.

	ECONOMIC GROWTH	DEMOCRATIC INITIATIVES	HEALTHY POPULATION	ATLANTIC COAST	AID TO CONTRAS
TIME LINE					
FEBRUARY, 1991	<p>Tighten Objective Tree/Clarify Elements of Branches/ID What AID/Other Donors Plan to Do</p> <p>Develop Full Set of Indicators/Set Targets (quality, quantity, time and gender)</p> <p>Examine joint data needs for economic growth, Atlantic Coast and Contrás/ID Overlaps</p> <p>Carry out Levels/Use Analysis</p>	<p>DI Consultancy</p> <p>Tighten Objective Tree/ID What AID/Other Donors Will Do</p> <p>Develop Full Set of Indicators/Set Targets</p> <p>Examine joint data needs for democratic initiatives, Atlantic Coast and Contrás/ID Overlaps</p> <p>Carry out Levels/Use Analysis</p>	<p>MOH Plan</p> <p>Other Analyses</p> <p>Tighten Objective Tree/ID What AID/Other Donors Will Do</p> <p>Refine Early Set of Indicators/Set Targets</p> <p>Examine joint data needs for health and other social sectors, Atlantic Coast and Contrás/ID Overlaps</p> <p>Carry out Levels/Use Analysis</p>	<p>Gersoni Consultancy</p> <p>Tighten Objective Tree/ID What AID/Other Donors</p> <p>Identify Set of Key Indicators/Set Targets</p> <p>ID those data needs that are unique to the Atlantic Coast</p> <p>Carry out Levels/Use Analysis</p>	<p>Mission Develops Information Wish List</p> <p>ID those data needs that are unique to the Contrás/Coast</p> <p>Carry out Levels/Use Analysis</p>
<p>Using Information From The Steps Above Set Up One or More Integrated (Program and Project) Management Information Systems, i.e., data collection/reporting formats and procedures, analysis plans/procedures, etc., establish locus of responsibility for system operation, test system.</p>					

Figure 9.3 Sequence of Tasks to Complete the Program Performance Indicators Exercise

**PROGRAM PERFORMANCE INDICATOR
LEVEL/INFORMATION USE ANALYSIS**

INFORMATION LEVELS	USES OF INFORMATION		
	RESPOND TO EXTERNAL INQUIRIES ON SHORT NOTICE	ASSESS PROGRESS AGAINST PLANS/ IMPROVE MANAGEMENT OF OVERALL PROGRAM	DETERMINE CAUSALITY/ LINKAGES BETWEEN PROGRAM/PROJECT LEVELS
PROGRAM LEVEL INDICATORS			
PROGRAM LEVEL ASSUMPTIONS/ ACTIONS TAKEN BY OTHER ENTITIES			
PROJECT LEVEL INDICATORS AND ASSUMPTIONS			

Figure 9.4 Information Levels/Uses Analysis Table

APPENDIX A

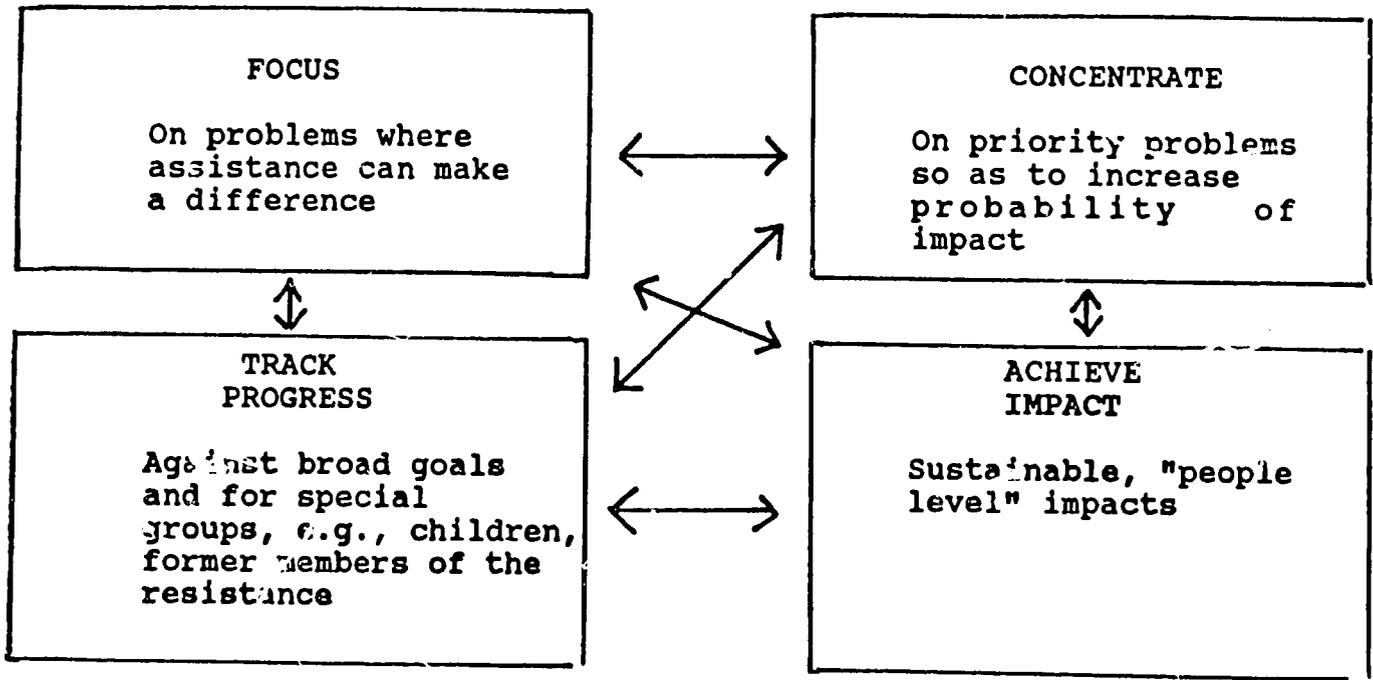
STRATEGIC OBJECTIVES
AND
PROGRAM PERFORMANCE MEASUREMENT

PURPOSES OF THE CONSULTANCY

- BETTER UNDERSTANDING OF WHAT A.I.D. MEANS BY "PROGRAM PERFORMANCE"
- A SHARED VOCABULARY
- PROCESS TOOLS FOR DEVELOPING PROGRAM GOALS AND STRATEGIC OBJECTIVES
- CLEAR UNDERSTANDING OF THE NATURE OF THE MISSION'S "MANAGEMENT CONTRACT" WITH AID/W

A.I.D.'S MANDATE TO
ASSIST NICARAGUA
REQUIRES
STRATEGIC THINKING
AT THE
PROGRAM LEVEL

STRATEGIC THINKING
CAN HELP THE MISSION TO



KEY QUESTIONS

- O WHAT DOES IT ADD UP TO?
The sum of all Mission efforts/resources
 - O WHAT ARE WE DOING NOW?
 - O WHAT SHOULD WE BE DOING OVER THE NEXT SEVERAL YEARS TO HAVE A "MATERIAL IMPACT" ON THIS COUNTRY AND ITS PEOPLE
-

"MATERIAL IMPACT"

- O WILL THE IMPACT OF OUR WORK BE SIGNIFICANT -- AS WELL AS MEASURABLE?
- O ARE WE FOCUSING ON IMPORTANT PROBLEMS AND OPPORTUNITIES?
- O IS THE SCALE OF OUR EFFORT WITH RESPECT TO PARTICULAR PROBLEMS/OPPORTUNITIES ADEQUATE?
 - Do our programs and projects address only a single element of a problem,
 - Or serve only a small percentage of the people who need to be reached

AS WE PLAN
ARE WE FULLY APPLYING OUR
COUNTRY PROGRAM RESOURCE BASE

- O THE MISSION PORTFOLIO OF PROJECTS, NON-PROJECT ASSISTANCE, PL 480, ETC.
 - O POLICY ANALYSES AND DIALOGUE WHICH THE MISSION SUPPORTS AND IMPLEMENTS
 - O THE MISSION STAFF
(Direct Hire, Foreign Service Nationals, Personal Service Contractors, Etc.)
Their work -- their contacts -- their influence
-

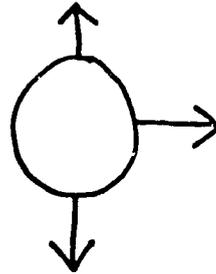
THE MAJOR TOOL
FOR DEVELOPING A
CLEAR AND COHERENT
COUNTRY PROGRAM LOGIC

OBJECTIVE TREES

OBJECTIVE TREES OFFER

- O A GRAPHIC DISPLAY OF CAUSE AND EFFECT RELATIONSHIPS AMONG A NUMBER OF RELATED ACTIVITIES**
- O EACH LEVEL IDENTIFIES THE NECESSARY AND SUFFICIENT CONDITIONS TO REACH THE NEXT HIGHER LEVEL**

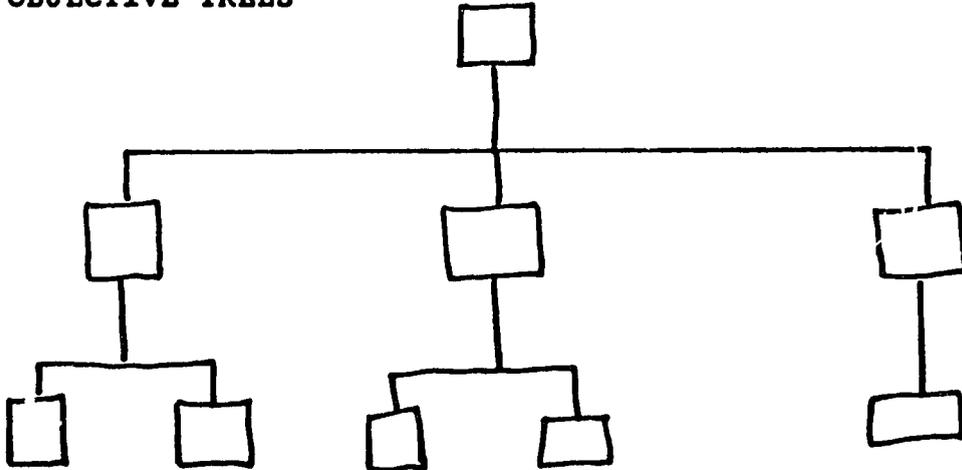
SO WHAT?



WHAT ELSE?

HOW?

IN OBJECTIVE TREES



CLEAR RELATIONSHIPS COUNT!

B. HEALTHY POPULATION

The working group that focused on the overall objective "healthy population" developed an objective tree with four main branches, three of which will receive the Mission's attention, i.e., (1) the health of women of childbearing age and children under 5 years, (2) an increase in basic literacy and numeracy skills and (3) a decrease in the population growth rate. The fourth main branch, that will not receive direct attention, focuses on the health of individuals outside the target group described in (1) above. Under this structure, the working group developed five separate objective trees, one each for education and population and three in the health care domain. These subordinate trees focus on preventive/primary care, water and sanitation and diet.

From this structure, the working group selected five objectives to recommend as candidate "strategic objectives". These candidates are:

1. Increased contraceptive prevalence (on the population branch of the tree);
2. Improved efficiency of the primary school system (on the education branch);
3. Improved quality of the primary school system (also on the education branch)
4. Increased utilization of water and sanitation (on the water and sanitation branch of the health care for women and children element of the tree)
5. A cluster of health care service provision objectives, e.g., (a) increased immunization coverage and (b) improved financing in the health sector on the health care branch of the tree)

C. FUNCTIONING, STABLE DEMOCRACY

The objective tree developed by the democracy working group has three main branches that focus on (a) improvements in justice, (b) the functioning of representative government, and more specifically its outcomes, i.e., laws, etc., and (c) the short term effectiveness of government, i.e., sufficient political stability to ensure that future transfers of power will evolve through a

democratic process.

At its final meeting, the working group on "functioning, stable democracy" discussed candidate "strategic objectives". The candidate's suggested during that meeting included:

1. Democratic Values Widespread. This objective lies quite far down on the objective tree, but if achieved, it feeds into virtually all higher level objectives.
2. Constitutional Reform. This objective, while slightly higher up on the democracy working group's objective tree than "democracy values widespread", also feeds into a number of higher level objectives.
3. Government Shows Short Term Effectiveness Through Actions That Respond to People's Needs. This objective is at the top of one of the three main branches of the objective tree in this area.

In considering these candidates, the plenary may find the following notes useful:

- o Two potential problems with the selection of Democratic Values Widespread as a "Strategic Objective" were identified:
 - The identification of an objective as a "strategic objective" implies a commitment to focusing resources (human and monetary) on its achievement. The working group discussed whether A.I.D.'s resources should be dedicated to the achievement of objectives which feed into (or are lower on the objective tree than) Democratic Values Widespread, or if some resources should be dedicated to activities that support higher level objectives on the democracy objective tree, e.g., steps which would strengthen the legislative branch of Nicaragua's government. One suggestion was to use "impact on values" as a criteria for choosing which higher level objectives are addressed, e.g., human rights groups or media might receive attention because they arguably have an important impact on an objective that deals with changing values.

Values are inherently hard to measure. Direct measures, such as polls which assess the views held by citizens are possible, but they may not provide the type of concrete evidence of achievement the Mission will need to demonstrate its effectiveness. Behavioral measures of value changes, on the other hand, might only show up as changes in behavior at higher levels on the objective tree, e.g., whether human rights are protected and free elections are held.

Reservations concerning the selection of constitutional reform as a "Strategic Objective" focused on the fact that A.I.D. does not yet fully understand the strengths and limitations of Nicaragua's existing constitution. Some members of the working groups had heard reports that the problem is not the constitution, but the degree to which it is followed. Others had the impression that constitutional reform is needed.

The final candidate in this area: the short term effectiveness of government may be unique to Nicaragua. While identifying this objective as being critical, the working group did not have adequate information to determine whether its achievement was likely. Details of this branch of the democracy working group tree lie in other branches of USAID/Nicaragua's overall objective tree. Hence, the feasibility of achieving this objective must, in part, be determined by members of the other two major working groups, i.e., the "economic growth" and "healthy population" working groups.

actions taken by the Mission, together with the influence it is capable of exerting, will be sufficient to bring about the achievement of those objectives which are defined as being "strategic".

During working group sessions, another element or way of looking at "strategic objectives" was suggested to help guide the process for their selection, i.e.:

- o Strategic objectives are critical, or essential, conditions which must be realized if the highest level objectives on a tree, or a branch of a tree, are to be achieved. In this sense, they lie along the "critical path" to overall success -- they are at the heart of a branch or tree, rather than on its periphery. Strategic Objectives, in this sense, define the course of action, or points of concentration, which, if used to guide a Mission's efforts, will yield the highest return in terms of the overall thrust of an objective tree.

Strategic Objective Candidates

Working with these definitions, the six USAID/Nicaragua working groups that were constituted during the first plenary examined the objective trees they had constructed. As a result of these reviews, three working groups determined that they did not have free standing candidates for "strategic objectives". These working groups were the ones that had concentrated on Mission sub-strategies for (a) the Atlantic Coast, (b) the Contras, and (c) the Sandinistas. All three of these sub-strategies were found to fit under the three primary elements of the overall objective tree developed by the mission, i.e., its economic growth, democracy and healthy population components.

The following paragraphs, then, describe the candidate "strategic objectives" offered for consideration by the working groups that dealt with each of the three major elements of USAID/Nicaragua's objective tree.

A. BROAD-BASED AND SUSTAINABLE ECONOMIC GROWTH

The objective tree developed by the working group for this area has five objectives at the level directly below "broad-based and sustainable economic growth". These objectives are (1) sustainable use of renewable natural resources, (2) increased productivity, (3) increased foreign and domestic investment, (4) increased sales from a diversified productive base and (5) increased entrepreneurship/participation in the economy.

In a final meeting, the working group reviewed this structure and identified eight candidate "strategic objectives", some of which were at this level and some of which were at lower levels. The candidates suggested by the group included:

- o Increased Foreign and Domestic Investment -- i.e., Objective (3) above, which the group perceived as being both absolutely essential and a bottleneck to the achievement of other high level objectives.
- o Improved productive/extractive practices -- under the broad objective of "sustainable use of renewable natural resources"
- o Under the broad objective "increased productivity" three candidate "strategic objectives" were identified:
 - People have skills that respond to private sector needs
 - Increased competition in the economy
 - New/better technologies used
- o Increased sales from a Diversified Productive Base -- i.e., Objective 4 above, and
- o Under the broad objective "increased entrepreneurship/participation in the economy", two "strategic objectives" were suggested:
 - Access to financial markets based on economic potential/performance
 - Policies promote broad-based participation in the economy

MEASURING PROGRAM PERFORMANCE

HERE AGAIN PROJECT LEVEL LOGICAL FRAMEWORKS
PROVIDE A CONCEPTUAL BASIS FOR ACTION

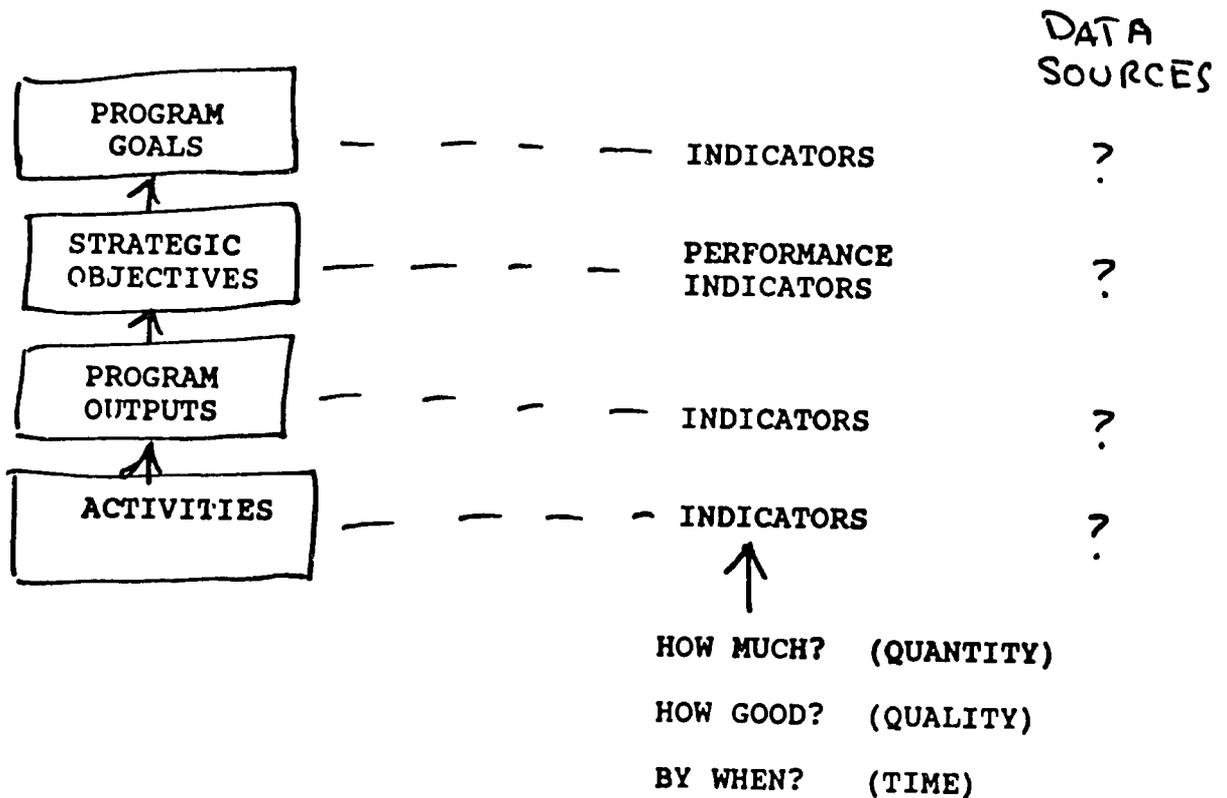
OBJECTIVELY VERIFIABLE INDICATORS

- PEOPLE WOULD AGREE
- QUALITY, QUANTITY, TIME

MEANS OF VERIFICATION

- SOURCES OF EVIDENCE
 - DATA COLLECTION REQUIREMENTS
(AND COSTS)
-

DATA COLLECTION REQUIREMENTS



January 28, 1990

DISCUSSION PAPER

CANDIDATE "STRATEGIC OBJECTIVES"

Overview

During the plenary session on Tuesday, January 29th, work completed to date on USAID/Nicaragua objective trees will be reviewed with an eye to:

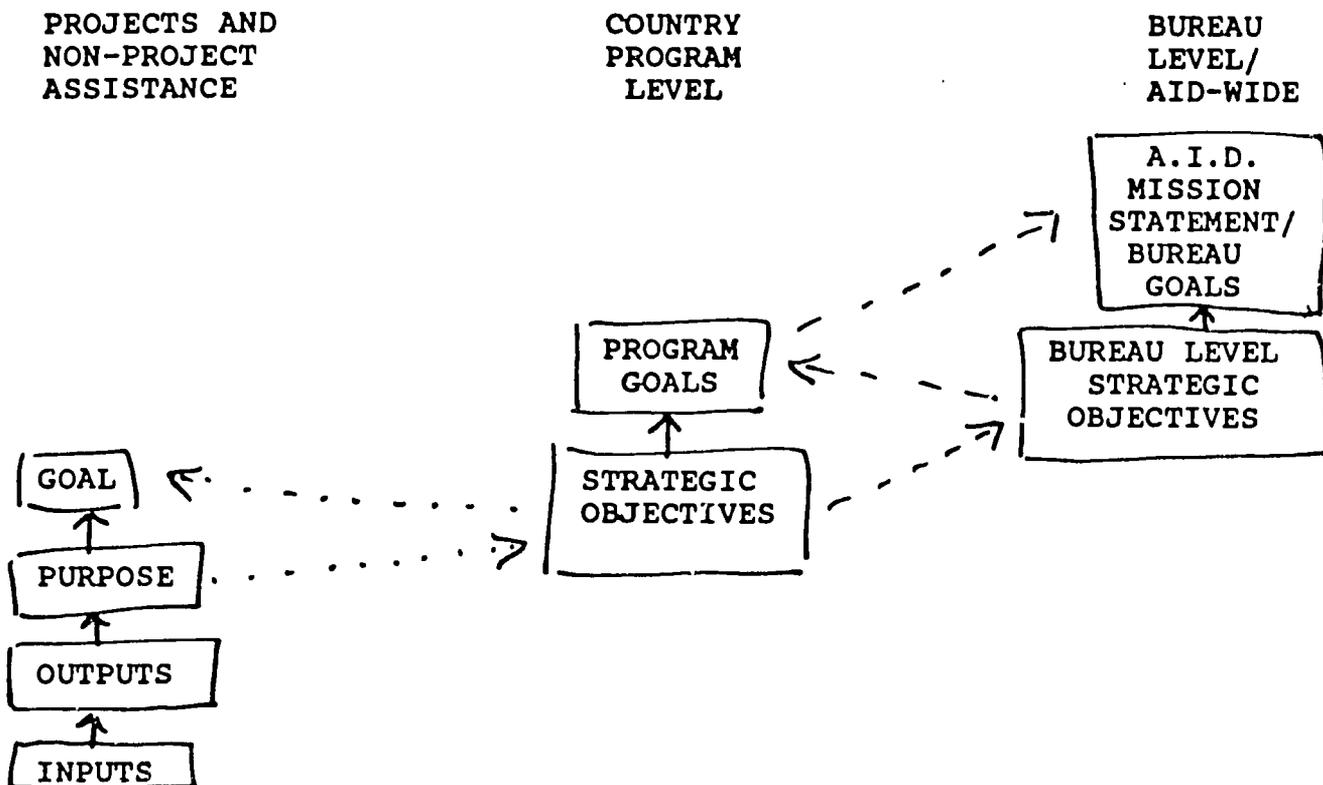
- o Identifying the ways in which the trees fit together and, to the degree possible, defining their relative priority in the overall Mission program;
- o Determining whether and how cross-cutting issues, such as effective governance, should be articulated in these trees, and
- o Selecting "Strategic Objectives" on these trees from among the candidates suggested by the Mission's working groups or on some other logical basis.

With regard to the selection of "Strategic Objectives", it may be useful for the Mission to recall the way in which this term was defined during the opening presentation on this exercise. In that presentation, strategic objectives were defined as objectives which:

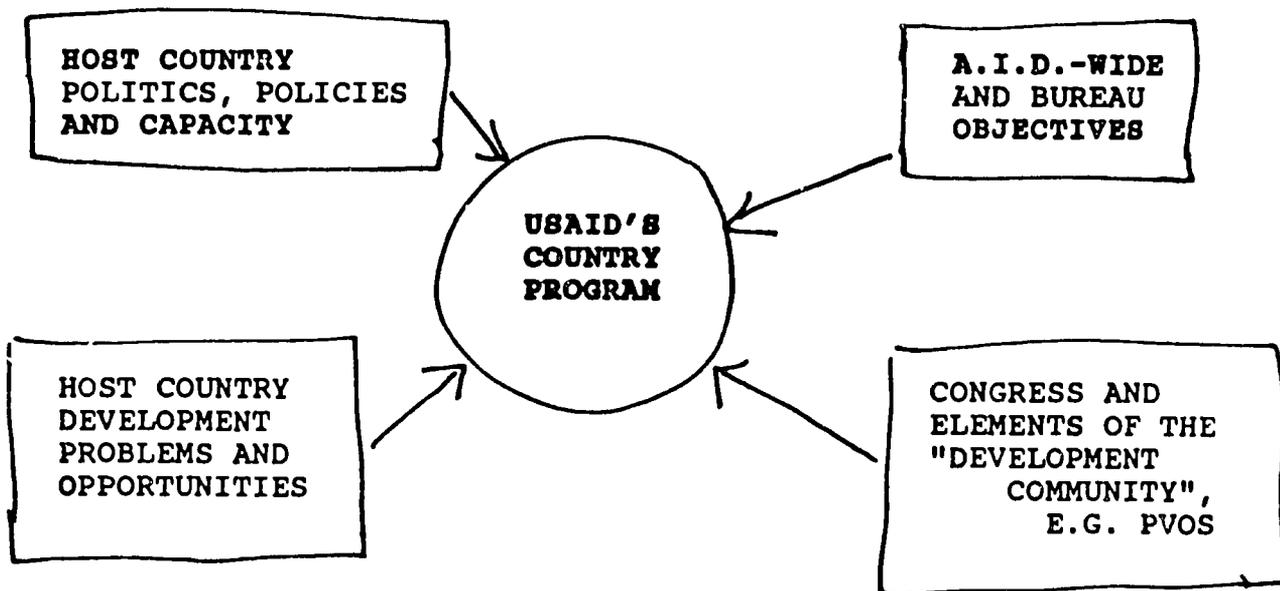
- o If achieved, will have a material impact on development, i.e., a developmentally significant and measurable impact on the country as a whole, rather than on a limited number of beneficiaries, and
- o Are within the Mission's "manageable interest", i.e.,

AND BROADER A.I.D. OBJECTIVES
SHOULD BE COMPREHENSIBLE

WITHOUT A "FORCED FIT"



BUREAU AND A.I.D. WIDE OBJECTIVES
ARE NOT THE ONLY EXTERNAL FACTORS
THAT INFLUENCE THE SELECTION OF
PROGRAM GOALS AND STRATEGIC OBJECTIVES



A.I.D.-WIDE FRAMEWORK
FOR COUNTRY PROGRAM DEVELOPMENT

A.I.D. MISSION STATEMENT

"A.I.D. ASSISTS DEVELOPING COUNTRIES TO
REALIZE THEIR FULL POTENTIAL THROUGH THE
DEVELOPMENT OF OPEN AND DEMOCRATIC SOCIETIES
AND THE DYNAMISM OF FREE MARKETS AND
INDIVIDUAL INITIATIVE. A.I.D. ASSISTS
NATIONS...TO IMPROVE THE QUALITY OF HUMAN
LIFE AND TO EXPAND THE RANGE OF INDIVIDUAL
OPPORTUNITIES BY REDUCING POVERTY, IGNORANCE
AND MALNUTRITION"

LAC BUREAU OBJECTIVES

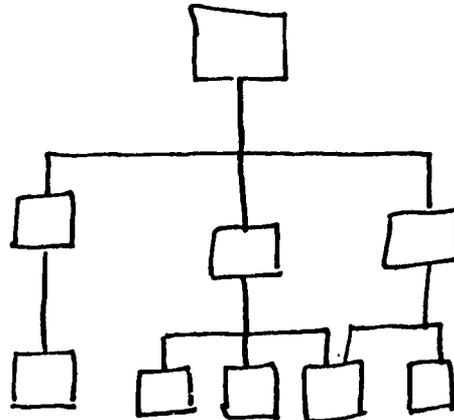
- O SUPPORT THE ACHIEVEMENT OF BROADLY-BASED, SUSTAINABLE ECONOMIC GROWTH
 - Economic policies that promote investment, employment and export-led diversification
 - Vigorous response by the private sector to favorable policy environment
 - Encourage accelerated opportunities for increased participation by historically disadvantaged
 - Preservation and sustainable use of the natural resource base
- O SUPPORT FOR THE EVOLUTION OF STABLE, DEMOCRATIC SOCIETIES
 - Competent civilian government institutions that merit confidence
 - Pluralism and a tolerance for opposing views and democratic values in non-governmental institutions
- O INTERNATIONAL COOPERATION IN ADDRESSING CHALLENGES TO THE ATTAINMENT OF BROADLY-BASED, SUSTAINABLE GROWTH AND THE EVOLUTION OF STABLE, DEMOCRATIC SOCIETIES
 - Role in strategies for dealing with drugs, terrorism, environmental degradation, etc.
 - Support for foreign policy initiatives, e.g., elections, resettlement of the displaced, relief from disasters and epidemics

PROGRAM ELEMENTS IN OBJECTIVE TREES

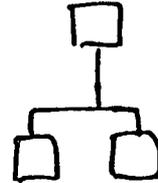
PROGRAM GOALS

STRATEGIC OBJECTIVES

PROGRAM OUTPUTS



DANGLING OBJECTIVE



ACTIVITIES

NOT ALL OF A MISSION'S WORK WILL
NECESSARILY FIT NEATLY

DON'T FORCE IT

DEFINE OTHER "TARGETS OF OPPORTUNITY"

ACCEPTING RESPONSIBILITY

SOME ONE ON THE MISSION STAFF

OR

SEVERAL PEOPLE TOGETHER

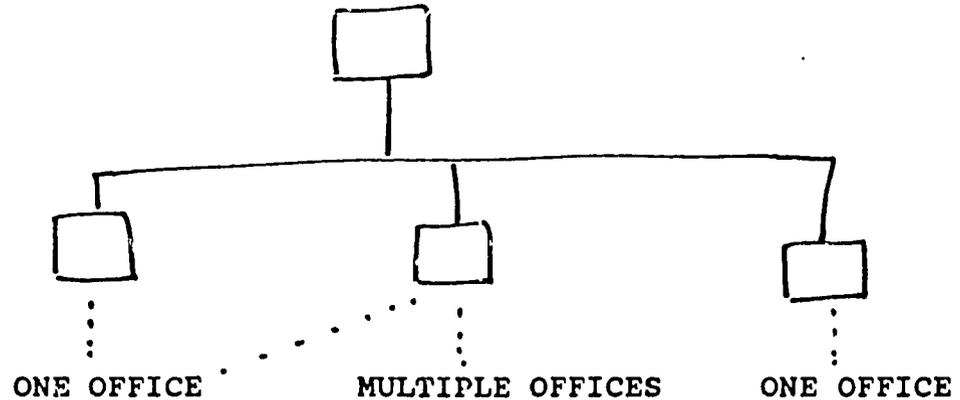
NEED TO SAY:

"IT'S MY RESPONSIBILITY!"

FOR EACH STRATEGIC OBJECTIVE THE MISSION ADOPTS

SOME STRATEGIC OBJECTIVES WILL FIT CLOSELY WITH OFFICES
OTHERS WILL CUT ACROSS BOUNDRIES

STRATEGIC
OBJECTIVES



LOGICAL LOCUS OF RESPONSIBILITY

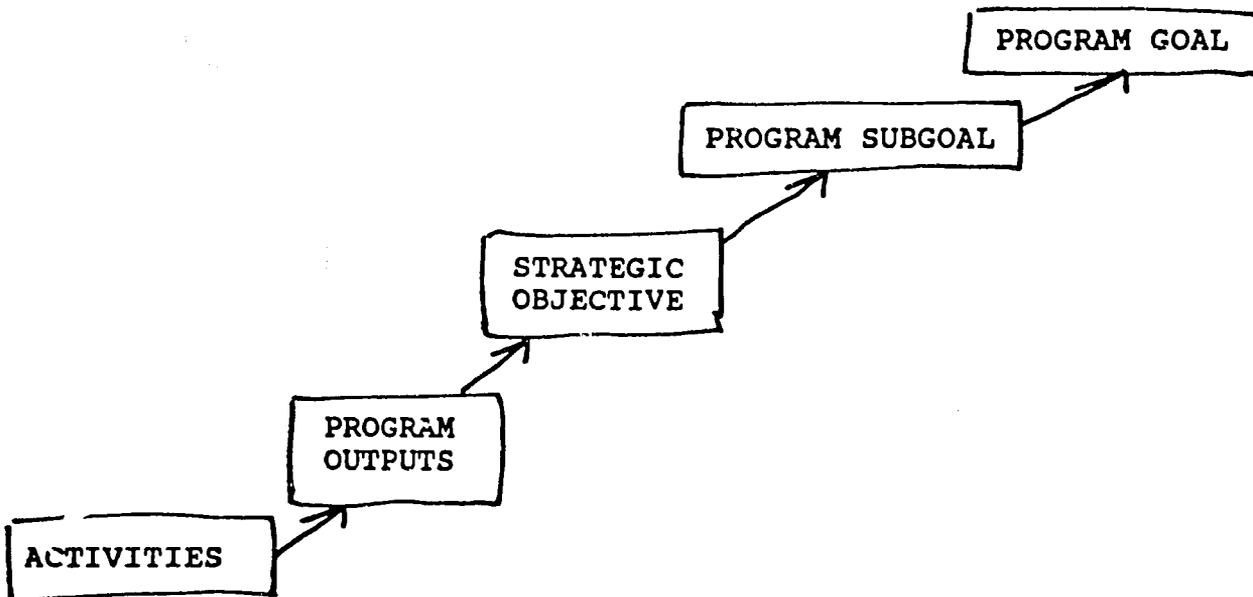
TAKING A STRATEGIC OBJECTIVE
WITHIN YOUR MANAGEABLE INTEREST MEANS:

- O ADOPTING THAT "POINT OF VIEW"
- O ACCEPTING PART OF THE MISSION'S "MANAGEMENT CONTRACT"
- O FOCUSING ON RESULTS V.S. ACTIVITIES
- O TAKING RESPONSIBILITY -- WITHOUT HAVING FULL AUTHORITY

THE LINKAGE BETWEEN MISSION OBJECTIVES

- 95

THE NUMBER OF LEVELS IN A
PROGRAM LOGICAL FRAMEWORK
IS NOT FIXED
BUT WITHIN A SINGLE TREE
ONLY ONE LEVEL CAN BE NAMED
"STRATEGIC OBJECTIVE"



WHICH LEVEL IN AN OBJECTIVE TREE
CONTAINS A STRATEGIC OBJECTIVE?

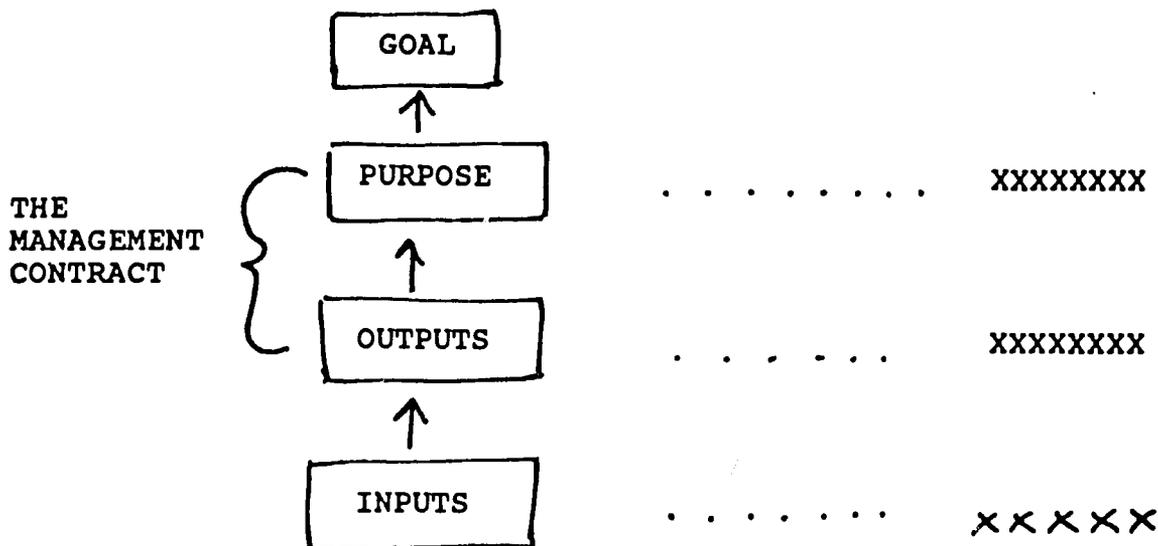
MISSIONS DECIDE ---- BASED UPON:

- o REACHING UP TO SHOW "MATERIAL IMPACT" ON A COUNTRY
- o PLAUSIBILITY OF THE RESULTING MANAGEMENT CONTRACT

A NATURAL TENSION EXISTS BETWEEN THESE GUIDELINES

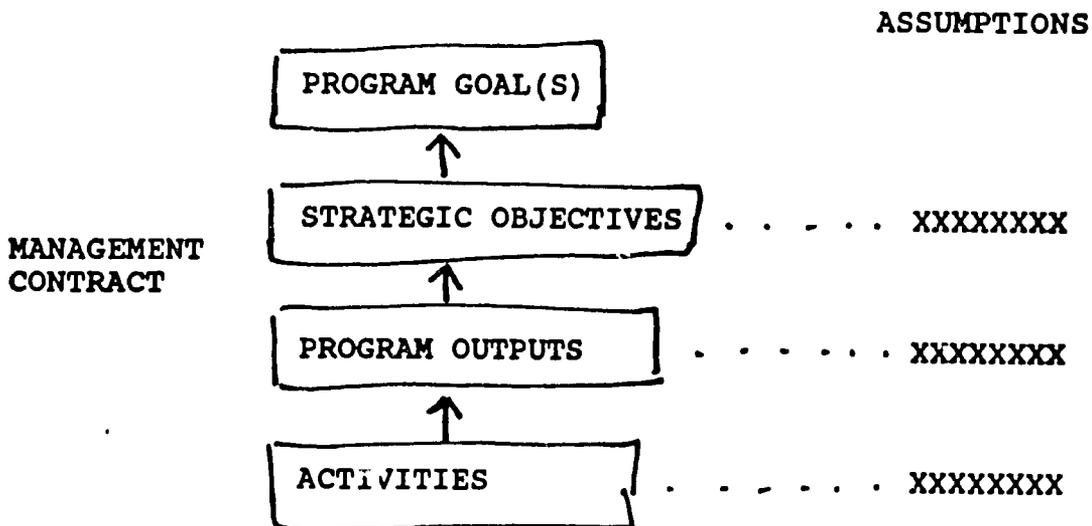
NARRATIVE SUMMARY

ASSUMPTIONS



AGREEMENT WITH THE NEXT MANAGEMENT LEVEL
FOCUSES ON PURPOSE

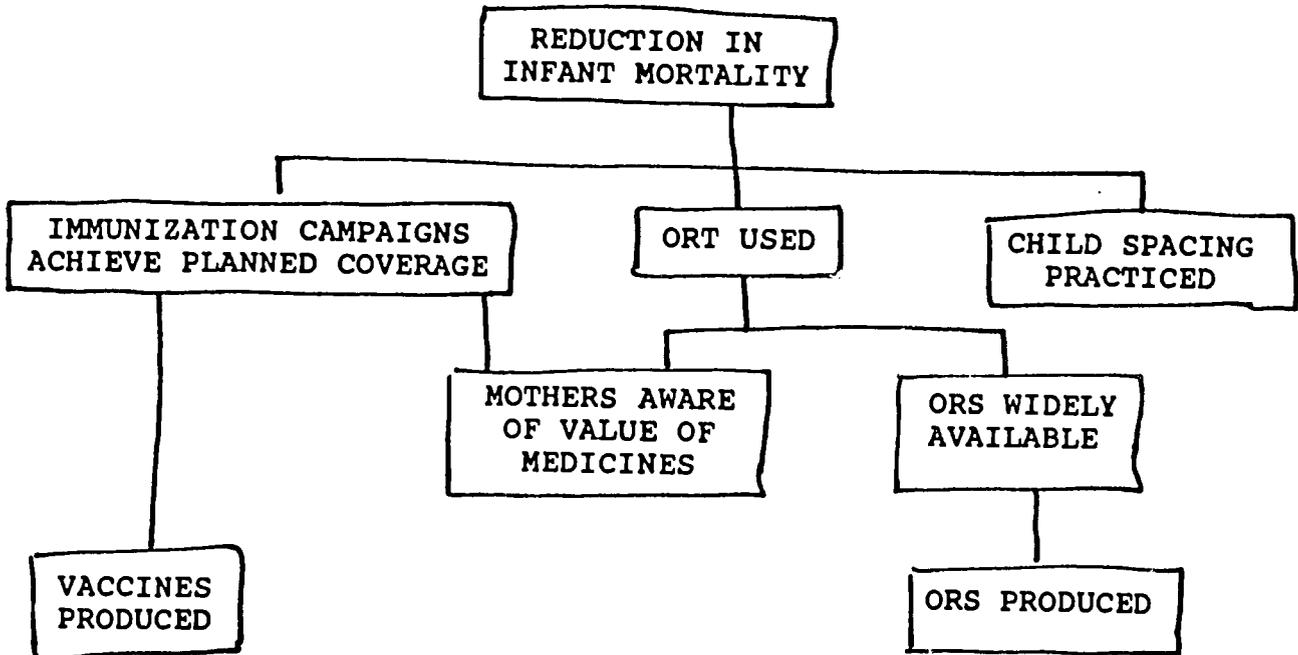
PROGRAM LOGFRAMES
USE PARALLEL REASONING



STRATEGIC OBJECTIVES ARE CENTRAL TO A
MISSION → BUREAU "CONTRACT"

91

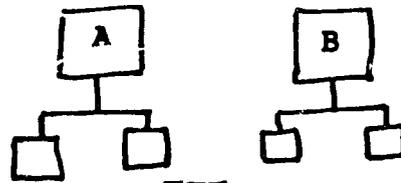
FOR EXAMPLE



COMPLEX "IF" → "THEN" LINKAGES
CAN BE ILLUSTRATED WITH OBJECTIVE TREES

WHAT SIMPLE LINKING WORDS MEAN IN AN OBJECTIVE TREE

XXXX AND XXXX



XXXX IN ORDER TO XXXX



XXXX BY XXXX



**FACTORS TO BE CONSIDERED AT EACH STEP
IN THE DEVELOPMENT OF AN OBJECTIVE TREE**

- O ENVIRONMENT**
 - O GENDER**
 - O SUSTAINABILITY**
-

**COUNTRY PROGRAM PERFORMANCE PLANNING
ALSO BORROWS FROM**

THE LOGICAL FRAMEWORK

A FAMILIAR PROJECT LEVEL TOOL