

**ASSESSING AND LEARNING IN MANAGING FOR RESULTS IN  
USAID: LESSONS LEARNED**

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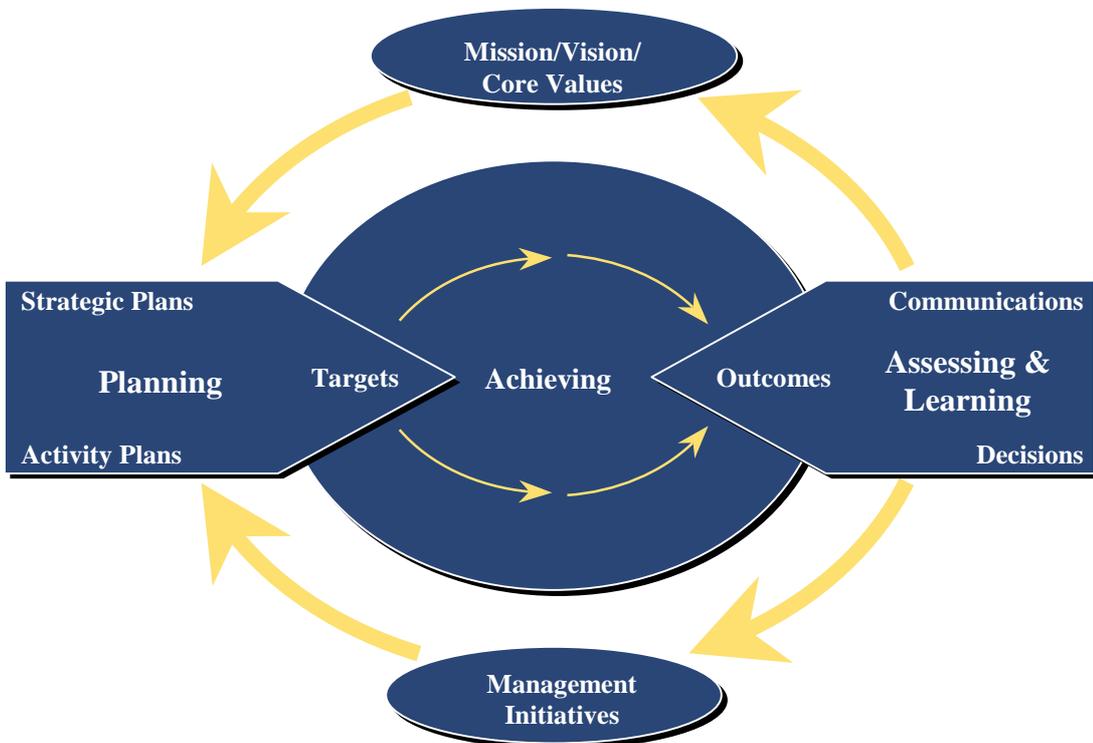
This paper will focus on USAID’s internal assessing and learning process and the use of “feedback” or information generated through performance monitoring and evaluation and transmitted to those for whom it is useful and relevant. The discussion is placed in the context of USAID’s results-based management system.

Beginning in 1994 USAID initiated results-based management as part of the broader U.S. Government mandate that agencies focus programs on the achievement of intended results. The sections below outline key features of the USAID results-based management system, use of information in managing for results, the responsibilities of the USAID’s Center for Development Information and Evaluation, and the principal lessons learned over the past years.

USAID’s Results-Based Programming System

The objectives underpinning USAID’s results management system are to limit USAID/Washington’s approval to higher-level objectives (results), as opposed to activity-level inputs and outputs; link budget allocations to objectives as opposed to activities; delegate activity design, approval and budgeting decisions to Operating Units; and establish teams to bridge organizational boundaries within and outside of USAID to manage development programs. A dynamic cycle of three management functions characterizes the system. It includes: (a) planning, (b) achieving and (c) assessing and learning. These functions operate within the context of management leadership, both the organizational mission/vision/core values and management initiatives. Figure 1 illustrates the model:

**Figure 1: USAID’s Managing for Results Programming System**



Three important linkages characterize this model:

- USAID's *mission, vision and core values* provide a framework to guide *strategic and activity planning*. *Learning* from past experience shapes the framework. The Agency Strategic Plan sets out the *mission* and the *vision* of the results to be accomplished through Agency goals. The *core values* – managing for results, customer focus, teamwork and participation, empowerment and accountability, and valuing diversity – guide USAID action to improve performance and achieve the *vision*.
- Performance measures link the *planning* and the *assessing and learning* functions. Establishing performance measures and *targets* before *achieving* takes place enables USAID to judge progress. Measures are used to assess *outcomes* and help maintain the results focus.
- *Assessing and learning* is not the end but involves *decision-making* that can in turn lead to *management initiatives* and back to *planning*. *Planning* here includes new activity development, refining objectives (results) or rethinking tactics in a goal area of the Agency Strategic Plan.

*Planning* includes both strategic and activity planning. Strategic planning occurs at various levels of USAID – e.g., Agency, Operating Unit and objective team -- and is a collaborative process with country partners and other donors. It aims to define specific results to be achieved (also called *Strategic Objectives, Intermediate Results* or *Special Objectives*). Activity planning defines the means (inputs and outputs) needed to achieve the results. Planning also involves determining how to assess progress.

*Achieving* involves the implementation of planned activities in collaboration with partner institutions (governments, international organizations, contractors, grantees and other donors).

*Assessing and learning* represents a continuous effort to anticipate and measure the impact on the objectives (results) defined, make decisions to improve the chances of success, and ensure that learning takes place within the objective team at the Operating Unit level and throughout the organization as experiences are communicated. *Assessing and learning* takes place with partners as work proceeds to transform inputs into outputs and assess whether the outputs are adequate to achieve the objectives sought. Good performance data and supporting analysis and evaluation are critical to the assessment and learning stage. Some key aspects include:

- Reporting performance honestly and openly, even when results are less than hoped.
- Involving customers and partners in assessing the quality, timeliness and effectiveness of outputs.
- Tracking and reporting progress in achieving outputs and results.

- Assessing the reliability and quality of performance measures and correcting weaknesses.
- Questioning the underlying causal link between activities and results and conducting evaluations and research to strengthen the link.
- Providing performance information at all levels of USAID, at a level of detail that matches the needs of information users.
- Recognizing the importance of learning from mistakes rather than minimizing them to avoid possible embarrassment.

### Use of Information in Managing for Results

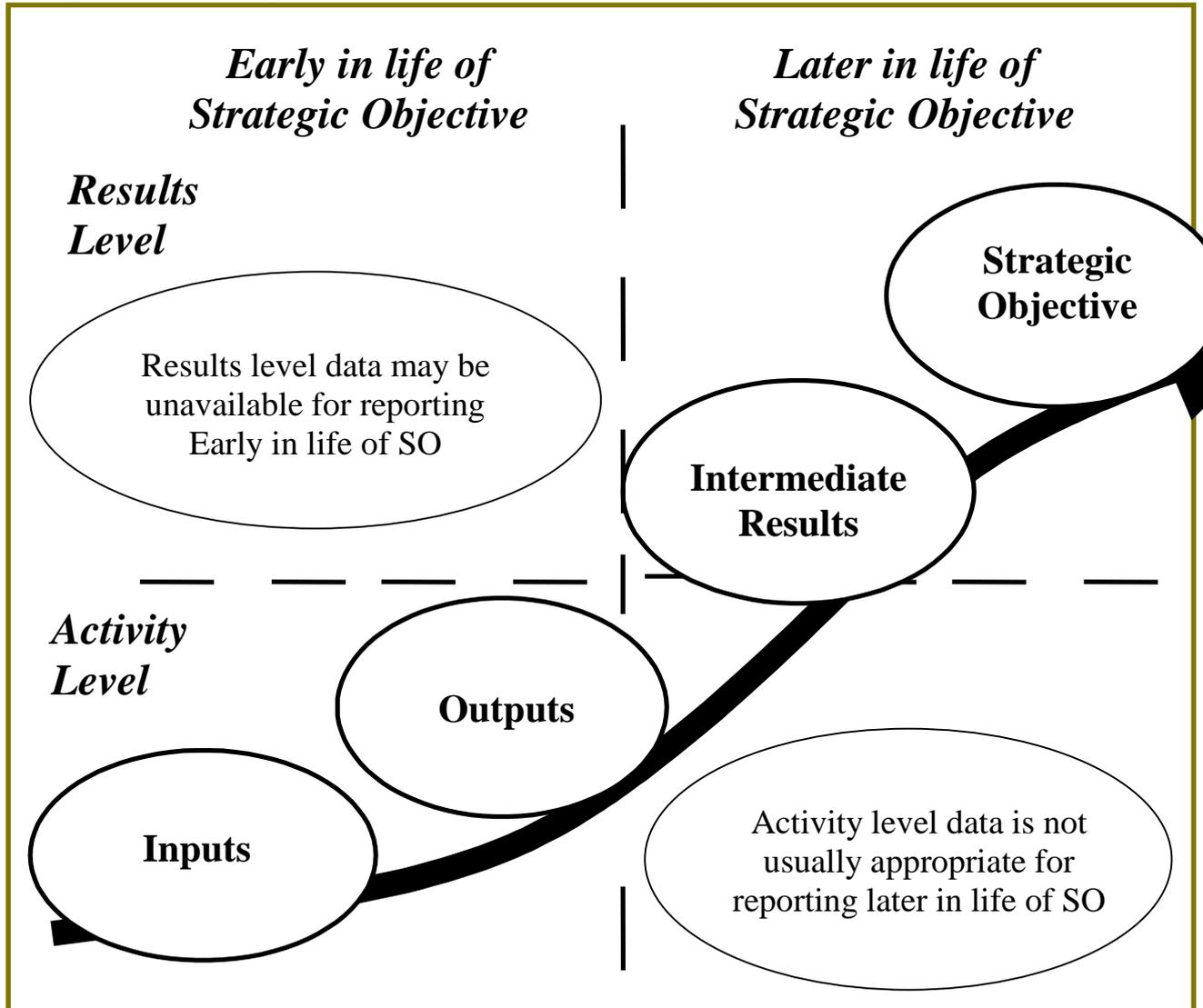
The previous section described the USAID results management system. This section turns to performance management and the use of performance information in managing for results. The emphasis will be on the Operating Unit (i.e., the country or Washington office managing a program), reflecting USAID's decentralized management system. Once the concerned Washington bureau approves the Strategic Objectives proposed by an Operating Unit, Strategic Objective teams are empowered to implement and monitor program achievement. As teams manage performance and generate information, they learn what is and is not successful, taking corrective action as necessary.

Performance management actually begins during the strategic planning stage when the team develops the development hypothesis that identifies causal linkages between USAID actions and the intended Strategic Objective (highest level result). The team also defines indicators, annual targets to be achieved, and baselines. The team likewise undertakes activity planning, defining the specific outputs to be achieved to reach agreed-upon results and the inputs needed. The planning stage sets up the *causal pathway for results* that helps the team define the information needed to assess progress and manage for results during implementation or the achievement stage.

During the achievement stage, performance management involves the collection of systematic feedback on the robustness of the development hypothesis causality chain and strengthening it by making decisions and taking action reflecting that feedback. Assessing and learning for performance management is a highly proactive, forward looking process in the environments where USAID typically works. The type of performance information that teams and Operating Unit manager's use varies over the life of the Strategic Objective as activities are initiated, outputs produced and results achieved.

Figure 2 below diagrams the causal pathway (bold arrow), linking activities (with their inputs and outputs) to results (Intermediate Results and Strategic Objectives) at the early and later periods of achievement:

**Figure 2 Achieving Results: Data and Causal Pathway**



At the early stage, when activities are being established, output information may be more available and useful for management and reporting purposes. For example, during early implementation of a basic education objective to improve basic education quality, managers may use information on the number of specialists trained in curriculum revision and testing and the number of teachers trained in the new curriculum and testing measures, among others, to determine if implementation is on track. At later stages, as outputs are achieved, results-level data may be more important for monitoring progress. Using the same basic education example, this may involve teachers' performance in introducing the new curriculum or, at a higher level, examination results for children being taught with the new curriculum. That is, at a later stage results should be measurable and attributable to USAID efforts, provided the causal chain is adequate.

*How do we plan for performance management?*

The cornerstone of performance management is the *performance monitoring plan (PMP)*, developed by the team with its partners. The PMP:

- Defines specific performance indicators, baselines and targets for each result to be achieved (strategic objective, intermediate result, or specific objective) and for activities.
- Plans for data collection (source, method, schedule and responsible unit/person for data collection), reporting, review and use.
- Identifies data limitations, significance and actions to address weaknesses.
- Identifies data quality assessment procedures.
- Plans for evaluation (both external and participatory) and special studies work to supplement regularly collected performance data.
- Plans for monitoring the development hypothesis, critical assumptions and context.
- Estimates costs for collecting data and plans for financing.
- Communicates performance expectations to partner institutions that will produce specific outputs intended to contribute to measurable changes in indicators.

*What are some of the specific uses of performance information?*

Team leaders and managers use information to:

- Determine gaps between desired results and actual achievements.
- Improve the activity performance, effectiveness and design.
- Inform management decisions on resource use (including technical assistance and USAID staff time for planning, monitoring and support).
- Adjust expected results, targets and assumptions.
- Improve performance indicators.
- Determine whether the development hypothesis is valid.
- Inform decisions on continuing, modifying or abandoning objectives or activities.
- Develop new strategic plans.
- Document findings on the impact of development assistance for sharing with USAID staff, external partners and other stakeholders.

Each Operating Unit (either country- or Washington-based) prepares an annual Results Review and Resource Request (called an “R4”) to provide information needed at several USAID levels:

- At the Operating Unit to determine if programs and resources (funding and staffing) need adjustment to maximize impact;
- At the Washington geographic bureaus to make decisions on the allocation of resources across countries to meet development and foreign policy goals; and
- At the Washington management and policy bureaus for Agency-wide internal and external use, including performance reporting, future program planning, budget

preparation, and communication of development experience to other development and practitioners and stakeholders.

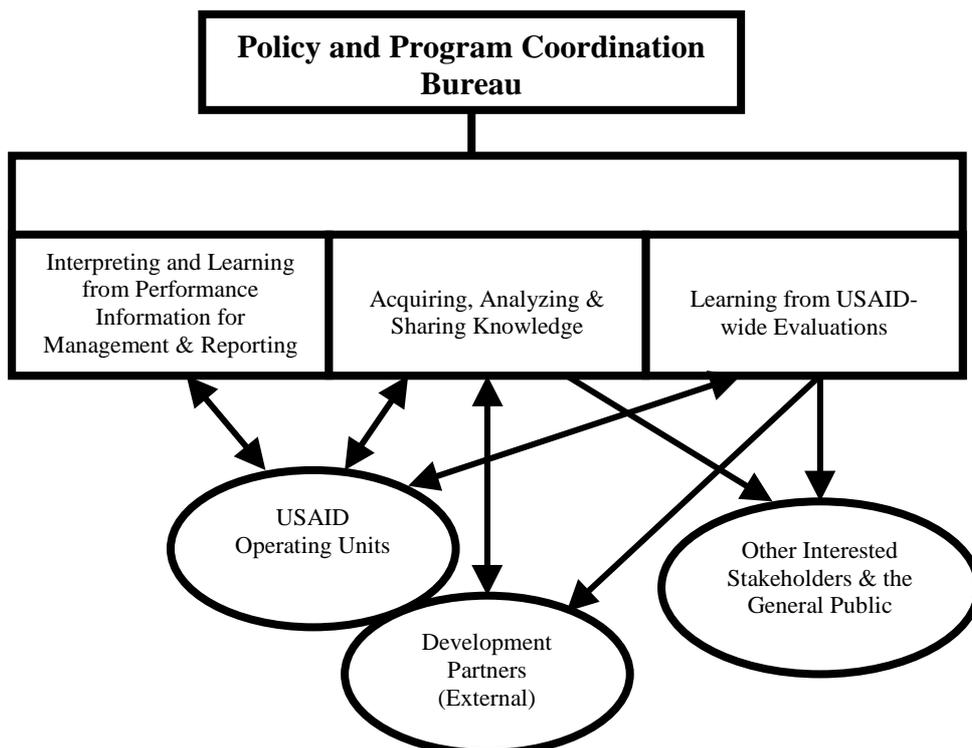
The R4 provides an explicit performance statement for each Strategic Objective (indicating whether it is on track, exceeding expectations or not meeting expectations), an overview of factors affecting performance, and a narrative review of performance relative to expectations (including partners' contributions) and data tables for three or four indicators. The multiple R4 reports serve as a basis for internal reporting and external accountability reports to Congress.

### Responsibilities of USAID's Center for Development Information and Evaluation

CDIE serves as USAID's central evaluation office and is located within the Policy and Program Coordination Bureau in Washington. It was first established in 1983 as a direct result of a U.S. Government external audit that found USAID's application of the lessons of previous development experience to new projects and programs as deficient. A salient feature of the center has been the combining of evaluation and development experience functions in one office to enhance the Agency's learning and sharing of what works and what does not to improve development programs.

The office has three functions that together contribute to the Agency's acquisition, sharing and use of knowledge. CDIE is also responsible for reporting on its performance in managing for results to external stakeholders and partners. The three functions are diagrammed and discussed below:

**Figure 3: Responsibilities of CDIE**



- *Interpreting and learning from performance information for management and reporting.* CDIE reviews, interprets and shares Agency-wide performance and evaluation information relative to the Agency Strategic Plan. It prepares USAID's annual Agency Performance Report for external stakeholders in the U.S. Office of Management and Budget and the Congress. It also provides leadership and prepares guidance for staff on strategic planning and performance management.
- *Acquiring, analyzing and sharing knowledge.* CDIE preserves, promotes and maintains USAID's institutional memory of development experience and socioeconomic indicators. It collects, summarizes, synthesizes and disseminates development experience for USAID staff, enhancing internal learning. It also extends development information through briefings, workshops, seminars, and the USAID Intranet to inform USAID decision-making at all levels. It promotes the sharing and use of development experience knowledge externally with development partners, other interested stakeholders and the general public through the Internet and other report dissemination. In 1999 annual country-program level performance reports (R4s) were made available for the first time on the Internet.
- *Learning from USAID-wide evaluations.* CDIE is also responsible for conducting evaluations to distill lessons learned from development programs across the Agency and for sharing lessons learned through reports, workshops, and conferences. Evaluations identify implications for the Agency Strategic Plan and for senior managers and Operating Unit managers in their planning and design of new development programs. CDIE also shares lessons learned with external partners and other stakeholders.

### Lessons Learned

USAID has made considerable progress in implementing its results-based management system and met many challenges in generating and using information for learning and improving performance. Major lessons learned are briefly discussed below:

1. *Collaboration on performance management with development partners is essential.* The development of strategic plans and performance monitoring plans with developing country, donor and technical assistance partners is important to develop consensus on objectives and how performance will be monitored. Collaboration increases the likelihood of identifying and obtaining useful information, and of strengthening the assessing and learning process. It also provides an opportunity to increase partner country understanding of performance assessment. In many cases the partner country is the source of information needed to assess progress. Without a fuller understanding of the plan and the place of information in assessing progress, it is less likely that USAID (and its partners) will obtain the kind and quality of information needed to track progress and manage activities effectively.
2. *Use of a variety of sources for performance information is important to assess performance fully.* Information generated from performance indicators is but one of

a number of sources USAID uses in assessing performance. This information can let managers know what results are being achieved. But evaluations are an important source of information needed to address specific questions on how and why results are or not achieved. They provide greater insight on issues of sustainability and the validity of the development hypothesis. The number of routine evaluations conducted dropped as USAID implemented its results-based management system; however, managers increasingly recognize the need for in-depth analysis that monitoring cannot provide. USAID is now giving more attention to the need for evaluation information gleaned through various types of formal and informal assessments. Other information sources can also be useful in judging performance – e.g., special studies such as demographic and health surveys undertaken by USAID or analyses and evaluations of other donors, partner agencies and academicians.

3. *Planning for performance monitoring is necessary.* A well-designed performance monitoring plan developed during the initial strategy and activity planning period at the Operating Unit level is essential for providing managers with data on a timely and consistent basis for decision-making.
4. *Establishing standards and criteria for performance indicators and data is important for obtaining credible and useful information.* Performance indicators for monitoring and reporting performance must be useful for management decision-making, reflect progress of results sought, measure change that is clearly and reasonably attributable at least in part to USAID's efforts, and meet quality standards of *objectivity, directness, validity and reliability*. USAID has placed increasing emphasis on assessing the quality of performance data experience and noting where limitations exist as part of improving its results management efforts.
5. *Annual performance assessment and reporting must be balanced with the need to obtain long-term, sustainable results.* Putting in place information systems for annual performance assessment and reporting takes time and effort. USAID experience suggests that while generating annual information is important for monitoring progress, managers need to give as much attention to longer term sustainability and impact questions and the analysis needed to make decisions on the longer term program direction. The Agency has also reduced requirements for and the time devoted to annual performance reporting and Washington reviews, encouraging Operating Units to spend more time on information and analytical work that is important for managing for and achieving results over the longer term.
6. *Progress on results achievement is but one factor in determining future program budget allocations.* USAID's annual progress reporting at the Operating Unit and Agency level is combined with its annual budget preparation processes. Experience shows that progress on results achievement is one factor in *informing budget allocation decisions*. Other factors include development needs, foreign policy considerations, and contributions of other donors.

7. *The type of performance information used varies by level (Operating Unit and Agency-wide) and purpose.* USAID experience indicates that managers at the Operating Unit level need information tailored to the specific country program and objectives (results) sought. This type of information is also used in reporting on country program progress to the U.S. Congress and reflects the level at which USAID is *more directly responsible for results achieved*. USAID also monitors and reports on more highly aggregated data (including economic, social and political development trends) that include contributions of the partner country and other donors.
  
8. *Centralized acquisition, research and dissemination services enhance Agency-wide learning.* Initiated more than two decades ago, USAID collects and disseminates documents on USAID experience, including evaluations, results performance reports, and various analyses undertaken by USAID and its partners. As discussed above, CDIE also provides research and reference searches on request for USAID staff and partners that assist staff in sharing and applying experience from a number of sources in planning and implementing programs.

# for Results in USAID:

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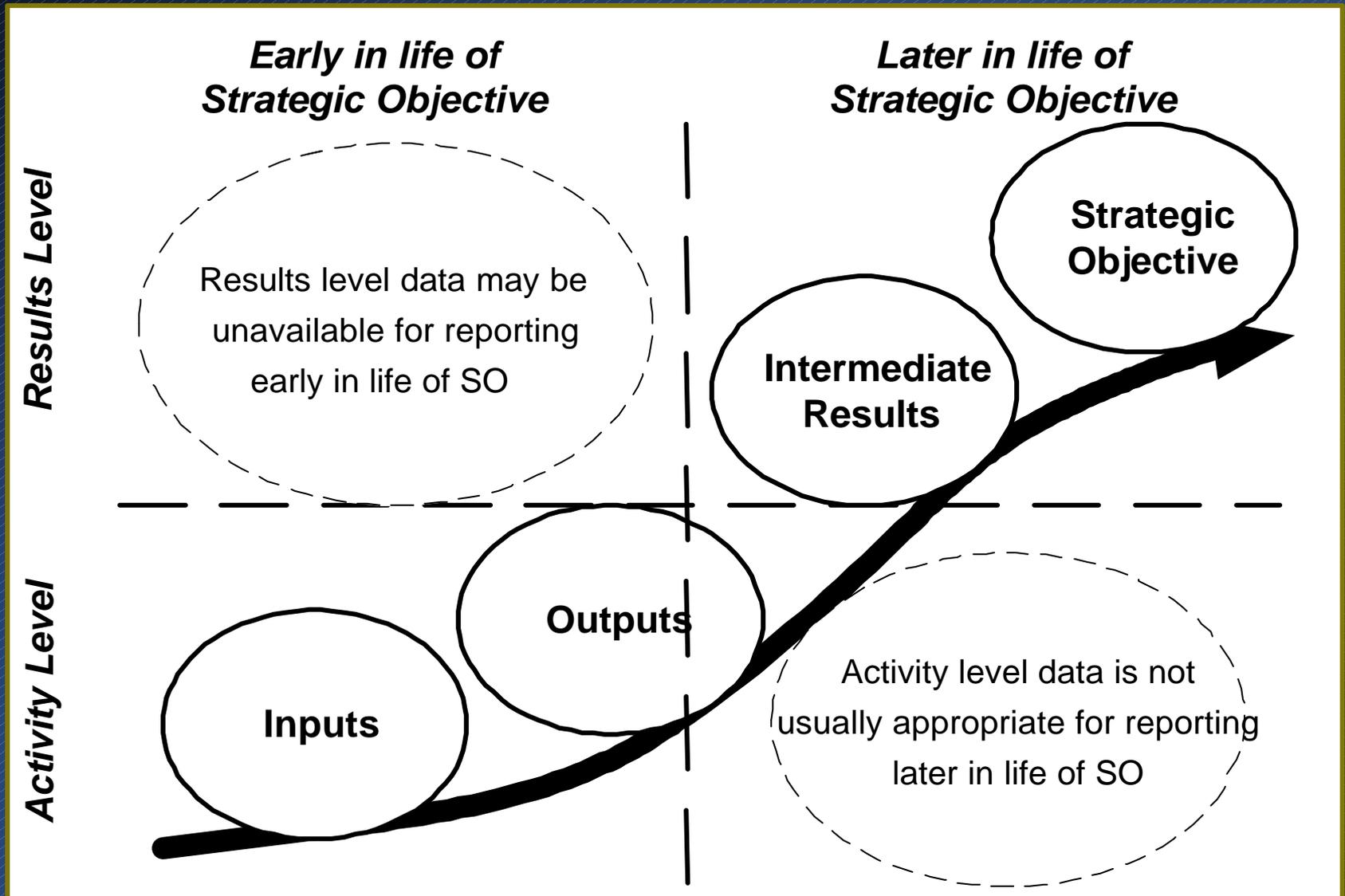
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Center for Development Information and Evaluation

# Managing for Results Programming System



# Achieving Results Data and Causal Pathway



# Lessons Learned

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# Lessons Learned

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