

# Managing for Results

Program Officers' Reengineering Workshop

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Budapest, Hungary  
December 5 - 8, 1995



*Organized and Presented  
by the*

**Bureau for Europe and the New Independent  
States**

*in cooperation with*

**Management Systems International**

# **MANAGING FOR RESULTS**

## **PROGRAM OFFICERS' REENGINEERING WORKSHOP**

**Bureau for Europe and the New Independent States  
December 5 - December 8, 1995**

### **OBJECTIVES**

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#### **Reengineering**

- Improved understanding of exactly what reengineering will mean to our lives in ENI
- A sense of what the automated New Management Systems and MRS can do for us

#### **Strategic Objectives**

- A consensus on ENI's menu of objectives
- Agreement on how to strategize and budget by strategic objective

#### **Results Frameworks**

- Understanding and appreciation of the utility of results frameworks
- Significantly improved skills in the development of results frameworks
- A clear sense of direction and the steps we must take to complete results frameworks by this Spring

**MANAGING FOR RESULTS**  
**PROGRAM OFFICERS' REENGINEERING WORKSHOP**  
Bureau for Europe and the New Independent States  
December 5 - December 8, 1995

**AGENDA**

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*Monday, December 4*

1800 hours    Informal Reception (cash bar) Opera Hotel

*Tuesday, December 5*

0800 hours    Registration

0830            Welcome and Logistics

    ◆ Tom Cornell with USAID/Hungary Staff

0900            Introductions and Workshop Objectives

    ◆ Jock Conly

0915            Reengineering in USAID – An Overview

    ◆ Wayne King

1045            Break

1100            Reengineering in ENI – **The Megamemo**

    ◆ Jock Conly

1200            Lunch

1300            ENI Strategic Framework and Objectives

    ◆ Bob Queener

1430            Break

1445            Results Frameworks – Concepts and Methodology

    ◆ Kathy Parker, MSI

        ➤ The Kazakstan Experience

        ➤ The Poland Experience

        ➤ The Bulgaria Experience

1630            Hungary Results Frameworks – Preparation and Group Formation

    ◆ Jeff Malick and Ed Comstock

***Wednesday, December 6***

- 0830 USAID's Program In Hungary – An Overview of Strategic Objectives  
◆ USAID/Hungary Staff
- 0915 Preparation of Results Frameworks for Hungary  
◆ Work Groups
- 1200 Lunch
- 1300 Results Frameworks – Process and Methodology  
◆ Kathy Parker and Ed Comstock
- 1345 Preparation of Results Frameworks for Hungary (continued)  
◆ Work Groups
- 1630 Status of Results Framework Exercise – Q's and A's  
◆ Jeff Malick

***Thursday, December 7***

- 0830 Review of Agenda  
◆ Jeff Malick and Kathy Parker
- 0900 Completion of Results Frameworks for Hungary  
◆ Work Groups
- 1015 Break
- 1030 Preparation of Presentations  
◆ Work Groups
- 1230 Lunch
- 1330 Results Frameworks  
◆ Group Presentations
- 1500 Break
- 1515 Results Frameworks  
◆ Group Presentations (continued)
- 1615 Lessons Learned / Questions and Answers  
◆ Kathy Parker and Ed Comstock

***Friday, December 8***

- 0830 Organizing to Achieve Results – Strategic Objective Teams and Delegations  
◆ Bruce Odell
- 0930 Next Steps for Results Framework Development  
◆ Jock Conly
- 1030 Break
- 1045 Strategic Planning, Performance Review and Evaluation  
◆ Bob Queener and Jeff Malick
- 1200 Lunch
- 1330 New Management Systems and the MRS  
◆ Wayne King and Bruce Odell
- 1500 Wrap Up  
◆ Jock Conly

Reengineering in USAID 1

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Results Frameworks 2

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Reengineering and the Program Cycle in ENI 3

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New Management Systems and the MRS 4

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# Section 1

## Reengineering in USAID

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Presentation Graphics

Teamwork

The Discipline of Teams

Chapter 201, Managing for Results: Strategic Planning

Chapter 202, Managing for Results: Achieving

Chapter 203, Managing for Results: Monitoring and Evaluating Performance

Reengineering Transition Guidance Cables Numbers 1 through 10

USAID Reengineering & Reform Reference Guide



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## REENGINEERING

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- ◆ **REENGINEERING** requires us to challenge the fundamental assumptions on which bureaucracies are built and radically redesign these organizations around desired outcomes rather than functions or departments. In the process, it forces us to develop new ways of thinking and seeing the world.

*From: Seamless Government, a Practical Guide to Reengineering in the Public Sector.  
By: Russell M. Linden - 1994*

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- This is NOT a layering on of new regulations
- Reengineering is based on analyzing how we do our business and eliminating steps that do not add value
- Some changes are radical and many build on best practices of the Agency

# A Reengineered USAID

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- ◆ **New Operations System**  
(includes the Four Core Values)
- ◆ **New Management System**
- ◆ **Clear policies and operating principles**



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Changes have been undertaken, simultaneously, in two major areas:

- An information system that will provide a unified corporate data base (New Management System)
- An operations system that changes HOW we do what we do (New Operations System)

## A Reengineered Operations System

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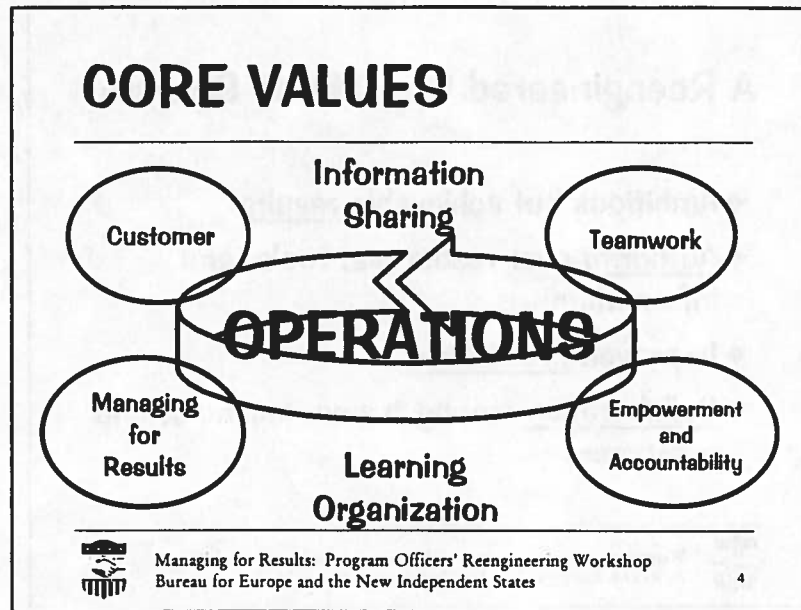
- ◆ **Ambitious but achievable results**
- ◆ **Authority over resources, tools, and information**
- ◆ **Improved procedures**
- ◆ **Collaboration among teams, partners, and customers**



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The four features of USAID's reengineered operations system listed here reflect a conscious application of the Agency's four core values. "Ambitious but achievable results" reflects the Agency's reaffirmed commitment to a results orientation. "Authority over resources, tools, and information" and "Improved procedures" reflects the commitment to empowerment, in this case, of Agency staff and partners. Finally, "Collaboration among teams, partners, and customers" reflects the two core values of customer focus and teamwork.



The core values became the basis for redesigning the operations system:

### Customer Focus

- The customer is the recipient of our goods and services (the end user)
- Congress, the American taxpayer etc. are "stakeholders" - they give us money to do something for the end users and expect us to be accountable for quality work.
- The quality of our work affects the impact we have. Our ability to listen to customers affects the quality of work.

### Managing for Results

- Missions/ Offices will be accountable for results (and empowered to select the best way to achieve them)
- Trackable results are crucial for good planning and for our relationship with our stakeholders.

## Why Customer Focus?

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- ◆ Quality is defined by the customer
  - ◆ Customer needs change with time
  - ◆ Understanding customer needs requires continual communication
  - ◆ Customer input leads to better, more sustainable results
  - ◆ Customer satisfaction is essential to survival
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Quality is defined by the customer. For a product or service to satisfy customers, management must understand what customers need and develop the capability to meet those needs. Sustainability of the use of a product or service is strengthened when the product or service meets the needs of the customer.

Customer needs change with time. Customer needs are moving targets, not static landmarks. Often customers' needs and expectations increase as our ability to meet them increases. In government, for example, taxpayers now compare government with the kinds of services they receive from the private sector - easily resolving a discrepancy with my credit card company, getting a helpful response about my new computer in the first call, etc. The American public is increasingly expecting similar service and response from their government.

Understanding customer needs requires continual communication. In order to meet needs, we need to develop operational definitions so that products and services have the necessary features to meet needs.

Customer satisfaction is essential to survival. Without a customer, there is no need to exist.

## Definition of Customers

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◆ **Customer** - Someone or group who receives services or products from USAID, benefits from USAID programs, or is affected by USAID actions.

❖ **Ultimate Customer**

❖ **Intermediate Customer**



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**Customer** - A customer is an individual or organization who receives services or products from USAID, benefits from USAID programs, or who otherwise is affected by USAID actions. The following are definitions of specific customer groups.

◆ **Ultimate Customer** - USAID's ultimate customer is defined as those who are end-users or beneficiaries of USAID programs

◆ **Intermediate Customer** - An intermediate customer is any person or organization, internal or external to USAID, who uses services, products, resources to serve the needs of other intermediate or ultimate customers

## **Understanding Customers and Stakeholders**

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### **◆ Stakeholders**

- ❖ **Not Our Customers**
- ❖ **Give Us Resources and Direction**
- ❖ **Want a "Return on their Investment" (i.e., Results)**

### **◆ Customers**

- ❖ **They Want a Quality Product or Service**



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### **Stakeholders**

- They are not our customers - we were not established to do something for them.
- They give us resources (money) and direction to do something for someone else (our end users).
- They want a "return on their investment" (i.e., results).

### **Customers**

- They want a quality product or service



# TEAMWORK

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- ◆ Informal and formal teams
- ◆ Brings people with different knowledge together to solve problems



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# TEAMWORK

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- ◆ Teams should be empowered to achieve results
- ◆ Processes cross functional boundaries - functions need to work together



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## **Empowerment and Accountability**

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- ◆ **Authority**
- ◆ **Accountability**
- ◆ **Capability (Tools, Knowledge,  
Ability)**
- ◆ **Trust**



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# Managing for Results

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- ◆ Know the customer and their needs
  - ◆ Know the results we want to achieve
  - ◆ Understand the process to achieve results
  - ◆ Use information/data to tell us how well things are working
  - ◆ Have authority to take corrective action (change process, or change result)
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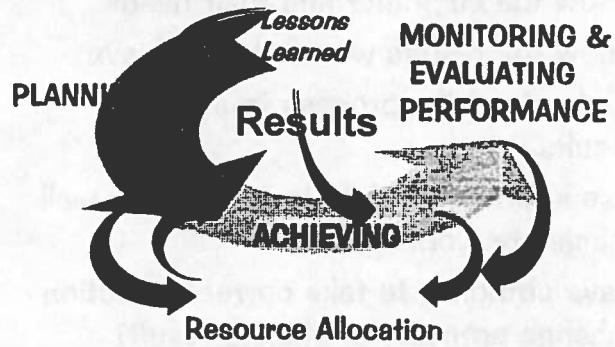


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## Key Functions of the System

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The focus of the entire operations system is on results.

## What's Different in Planning?

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- ◆ Participation at every level
- ◆ Joint Planning and programming
- ◆ More explicit linkage between achievement of results and budgeting



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Here is what, specifically, we expect to be different about the process of Planning, primarily from an operating unit perspective.

The "new" planning system is built on the best practices from Agency experience, particularly the longer experience with planning in the AFR and LAC Bureaus. So, in a very real sense, it isn't all that "new." What is new is a commitment at Agency level to make the best practices of some parts of the organization over time the standard for practice throughout the Agency.

Particularly new in planning are the increased and systematic emphasis on customers and participation in planning and joint planning between the field and AID/W. Joint planning, if it is done well, should lead to more effective achievement of results and in fewer surprises when strategic plans come into AID/W from the field.

With the new approach to budgeting (by strategic objective, that is), there will be an increased emphasis on past achievement of results and the likelihood of future achievement of results when resources are being allocated.

## What's Different in Planning?

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- ◆ **Only two documents to AID/W:**
  - ❖ **Strategic Plan**
  - ❖ **Results Review and Resource Request (R4)**
- ◆ **Easier access to information**



Field operating units are required to send to AID/W only two documents, the once-in-several years Strategic Plan and the annual Results Review and Resource Request. For example, missions do not have to send activity-specific documents (such as the old project paper) to AID/W for review.

Once the New Management Systems are operational, everyone involved in the planning process will have easier and more timely access to information--information regarding the strategies and results of other operating units that might be relevant to the strategy we are considering, the resources available for the kinds of activities we might want to pursue, and so on.

## THE STRATEGIC PLAN

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**The framework which an operating unit uses to articulate the organization's priorities, to manage for desired results, and to tie the organization's results to the customer**

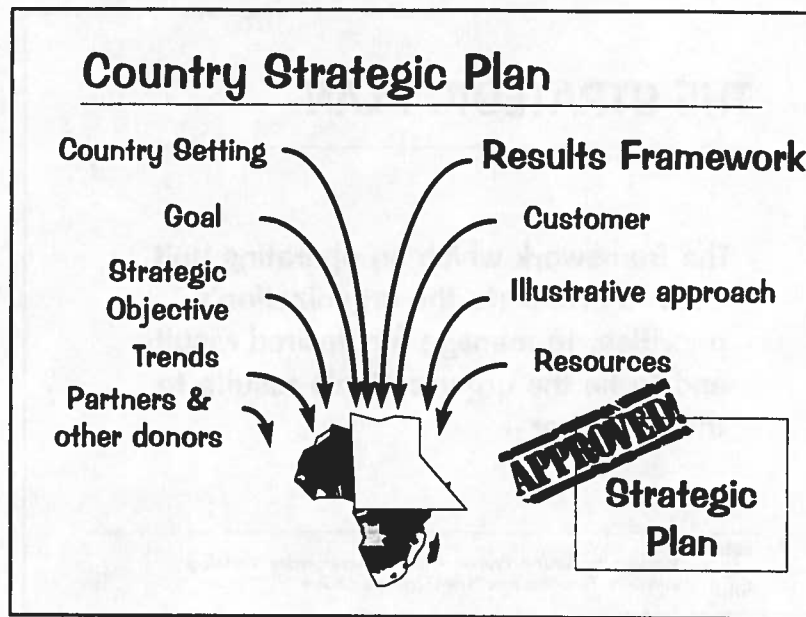


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The strategic plan replaces (actually, builds upon) the bureau-specific planning documents used heretofore. The strategic plan is comprehensive -- it includes strategic objectives (SOs) and a description of how the operating unit plans to use resources to accomplish them.





Strategic Planning for a *country* program will include all USAID program funding proposed for allocation to the country, including funding in support of centrally managed global programs, food aid, and research activities. Planning for regional and global programs must include program funded activities that are (a) regional or global in nature, (b) bilateral programs for which the central operating unit has direct responsibility, and/or (c) activities that have bilateral impact and are managed by a central operating unit due to management efficiencies.

Exceptions to the strategic planning process are start-up programs and emergency programs. See directives for details.

## **MANAGEMENT CONTRACT**

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- ◆ **Agreement on objectives**
- ◆ **Confirmation of estimated resources over the strategy period.**
- ◆ **Provision of appropriate delegations of authority**
- ◆ **Special management concerns requiring action**



# Strategic Objective

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The most ambitious result in a particular program area that an operating unit (with its partners) can materially affect and for which it is willing to be held accountable.



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# OBJECTIVES

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- ◆ **Strategic Objective**
  - ❖ **Bi-lateral Strategic Objective**
  - ❖ **Regional/Global Strategic Objective**
- ◆ **Strategic Support Objective**
- ◆ **Special Objective**



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**Bi-lateral and Regional/Global Strategic Objectives** are like strategic objectives under the old system—each of them is unique to and managed by a single operating unit.

**Strategic Support Objectives (SSOs)** are Regional or Global Bureau development objectives that rely partly on the results of activities performed by the bureau and partly on the results of activities performed by other operating units, such as missions. These objectives allow Global and other bureaus to relate their support activities to the high-level development results toward which they are aimed.

E.g., the Global Bureau may be developing a new vaccine in order to ultimately reduce the incidence of a particular disease (which is a significant development result). Global develops the vaccine, but it relies on missions to distribute the vaccine and ensure its proper use through their health programs. It's really a joint objective: the missions will most likely be including reduced incidence of the disease in their SOs, and Global will be adopting reduced incidence as its SSO. Global will also probably rely on mission data for measuring performance against the SSO.

SSOs represent an attempt to allow Global and other central or regional bureaus that are providing critical support to missions' development efforts to relate that support to development results. The less attractive alternative would be to reduce Global to low-level strategic objectives, which are separated from the higher level development results toward which they are aimed. The aim here is to relate all assistance activities – including Global's – to significant development results. In effect, those development results are shared by Global and the missions.

A **Special Objective** is one that has limited development impact, and therefore does not qualify as a full-fledged SO. Special Objectives can include objectives that respond to earmarks, involve phasing out a major development effort, try something exploratory or experimental, or involve research that contributes to an Agency objective.

# Results Framework

- ◆ Identifies the critical results necessary to achieve the SO
  - ❖ through USAID assistance
  - ❖ through other development partners
- ◆ Illustrates the cause-and-effect linkages in the strategy



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Some differences between the Results Framework and the PRISM Objective Tree:

The Results Framework represents an attempt to be more explicit in its emphasis on **causal linkages**, and less bound to levels in a hierarchy. Under PRISM, we have observed the tendency of some operating units to try to make everything at one level of the objective tree -- e.g., the Program Outcome level - - relatively equal in importance. In the Results Framework, the emphasis is on how things relate causally, regardless of relative importance or chronology. The Results Framework tries to avoid forcing things into a linear sequence, when in real life things are sometimes circular in their impact.

# Results Framework

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- ◆ Includes organizational responsibilities and time-frame for each result
- ◆ Shows integration of results from other SOs as appropriate
- ◆ Creates the basis for measuring, analyzing and reporting on results



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The Results Framework includes more detail to elaborate the development hypothesis than did the PRISM objective tree. How much detail? Enough to elaborate the development hypotheses. Also included are details about resources and partners.

# ACHIEVING

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- ◆ A means to an *End* (i.e., a Result)
- ◆ A Learning Process
- ◆ Flexible
- ◆ Collaborative
- ◆ Interrelated yet self-contained, result-focused, and time-limited activities



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There are a few key principles that have guided the teams redesigning USAID's implementation process. For starters, we now talk about "achieving" as contrasted with "implementation." The term "achieving" emphasizes the focus on results, not just on process. Achieving is a means to an end, not an end in itself.

Achieving is designed to be a learning process, in which: we take risks but we learn from our mistakes; we use information—which will be more timely and readily available from here on out—to make modifications in what we are doing; and we share lessons learned with others inside and outside the organization.

A companion to learning is the flexibility to act on that learning and make changes as we go along. The reengineered Achieving process has built into it certain degrees of flexibility that empower those closest to the processes and activities to decide whether to change them or not. The focus, of course, is always on achieving the desired result, at whatever level it may be.

The reengineered Achieving process is designed to be collaborative, with the involvement of customers, stakeholders and partners at every opportunity. For, example, activities organized to achieve specific results in the Results Framework should include customers, stakeholders and partners; and "virtual" teaming with collaborators in other parts of USAID is now the norm.

The reengineered Achieving process is designed to make it possible for teams within the Operating Unit to be involved in all phases of achieving specific results – planning the activities, carrying them out, assessing them, and modifying them – because Results Packages (or whatever approach for organizing the work chosen by an operating unit) should be focused, time limited and so on. The aim here is to avoid situations, common in the past, in which project design and implementation were so long and complex that staff (and partners, for that matter) never participated in the whole process and never could be held accountable for any results.

## **Strategic Objective Team**

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**The operating unit shall establish a Strategic Objective Team for each strategic objective, strategic support objective, and special objective...**



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The Achieving process begins (in the sense that any of the three processes, which are cyclical and interdependent, has a beginning and an end) with completion of the Operating Unit's strategic plan and formation of Strategic Objective (SO) teams. The very use of SO teams and their composition relate to the two core values of teamwork and customer focus.



## Strategic Objective Team

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- ◆ USAID personnel and agents (core team),
- ◆ partners,
- ◆ stakeholders, and
- ◆ customers

... jointly working together to  
achieve the SO



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According to the draft directives, there is an SO core team of USAID personnel, who shall establish a broader SO team. The distinctions between the core team and the broader SO team are important ones--see E202.5.2a in the draft directives for more details.

The SO team should include people who (1) bring significant expertise or knowledge needed for SO achievement (this includes using folks from AID/W under the virtual teaming principle and joint programming principle); (2) represent major development partners whose resources bear on achievement of the SO; (3) represent key stakeholders, especially local groups and individuals who will gain or suffer if the SO is achieved; and (4) major USAID customers for the SO.

## **Strategic Objective Team**

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- ◆ **Organizes and Manages itself**
- ◆ **Determines how key results are to be achieved**
- ◆ **Allocates resources for achieving key results under the SO**



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## **Strategic Objective Team**

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- ◆ **Ensures that agreements are aimed at achieving key results and the SO**
- ◆ **Monitors program performance**
- ◆ **Evaluates, as necessary, the hypotheses inherent in the results framework**
- ◆ **Reviews, analyzes, and reports on actual results**



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## Strategic Objective Team

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- ◆ Makes informed decisions regarding results packages and the results framework
- ◆ Recommends changes in the SO or other elements of the strategic plan
- ◆ Prepares appropriate Closeout Reports



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## **Monitoring and Evaluating Performance**

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**Conduct reviews and evaluations at least once a year to assess performance against expected results and to monitor validity of critical assumptions.**



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While performance reviews are to be conducted at least once a year, it is important to note that these reviews are not primarily for use or review by AID/W. The principal reason for the reviews is to provide operating units with performance information needed to better manage for results.

It also is important to understand that the need for (at least) annual performance reviews is based on best practices developed by the Agency and its operating units. These best practices clearly indicate that using performance data to inform management decisions is an essential part of the planning-achieving-monitoring/evaluation cycle.

## What is to be monitored?

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- ◆ Strategic objectives
- ◆ Special objectives
- ◆ Strategic support objectives
- ◆ Results at all levels
- ◆ Outputs
- ◆ Critical assumptions



While performance reviews are required for all the areas mentioned above, operating units are only required to report to their bureaus on strategic objectives, special objectives and strategic support objectives. Should a change in any of these objectives be planned by an operating unit, however, it is possible that the bureau may ask for other relevant performance information before a change in the management contract is agreed to.

## **SO's and IR's will...**

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- ◆ **have at least one indicator through which to track performance**
- ◆ **each indicator will have a baseline and a target**



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## Evaluations are...

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- ◆ driven by management needs
- ◆ integrated with performance monitoring systems



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## **Are Evaluations Required?**

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**Evaluations are not required as a matter of formality. If they will serve no management need, evaluations should not be conducted.**



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Performance monitoring will indicate whether progress is being made toward achieving results. Evaluations, on the other hand, are essential in answering WHY such progress has or has not been made. Evaluation information is critical for management decisions, and for this reason evaluations are not required and should be conducted only when they will serve management needs.

## Who decides when to evaluate?

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**SO teams and RP teams, in consultation with:**

- ◆ **Partners**
- ◆ **Counterparts**
- ◆ **Customers**
- ◆ **Operating unit senior management**



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While partners and customers are to be included in deciding when to conduct an evaluation, it is up to SO teams to determine which customers and partners to bring into the decision-making process, and how and to what extent to include them.

Illustrative evaluation triggers:

- Monitoring indicates an unexpected (positive or negative) result.
- A key management decision must be made about the direction of an activity/result, but there is inadequate information to guide the decision.
- Annual (or periodic reviews) within the operating unit or the host country identify key questions to be resolved or questions on which consensus must be developed.
- Formal or informal feedback from partners, partners or other informed observers suggests that implementation is not going well or is not meeting the needs of intended customers.
- There is a breakdown in a critical assumption or intermediate result supported by another donor.
- An operating unit believes extracting key lessons learned or documenting experience is important for the benefit of other operating units or for future programming in the same country.

# REPORTING

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- ◆ **When to report?** - Once a year
- ◆ **To whom?** - The regional bureaus
- ◆ **On What?** - Progress in achieving strategic objectives
- ◆ **How?** - Through the R4



Operating units within the Global Bureau and the Bureau for Humanitarian Response shall report to their respective central bureau. Operating units within regional bureaus report to their respective regional bureau.

While the R4 is to be submitted once a year, some bureaus might ask that operating units submit the results-report portion of the R4 before submitting the resource-request portion of the R4. Such a decision should be made in consultation with an operating unit's respective bureau.

## The R4 must include:

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- ◆ Factors affecting program performance
- ◆ Progress toward achieving strategic objectives.
- ◆ Status of management contract
- ◆ Resource requirements



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### Factors affecting program performance:

- progress in the overall program, i.e.. goals, subgoals or other broad programmatic issues

### Progress toward strategic (and other) objectives:

- summary of data on progress toward achieving SOs, including data on intermediate results where appropriate
- analysis of these data
- evidence that USAID activities are making a significant contribution to achievement of the SO
- expected progress for the next year

### Status of the management contract:

- proposals for change/refinements at the SO level, if necessary
- special concerns or issues, including discussions of how the customer influenced the operating unit's assessment of progress and possible changes in the strategic plan
- updated list of G and/or BHR activities in country

### Resource requirements:

- program funding request by SO, and OE, staffing, technical support from AID/W, and program development and support (PD&S) funding

## The Regional Bureaus review the R4 in consultation with:

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- ◆ Bureau for Policy and Program Coordination
- ◆ Bureau for Management
- ◆ Global Bureau
- ◆ Bureau for Humanitarian Response



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# REQUIREMENTS

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It is intended that the R4 be the only formal requirement for performance reporting by operating units to USAID/ Washington



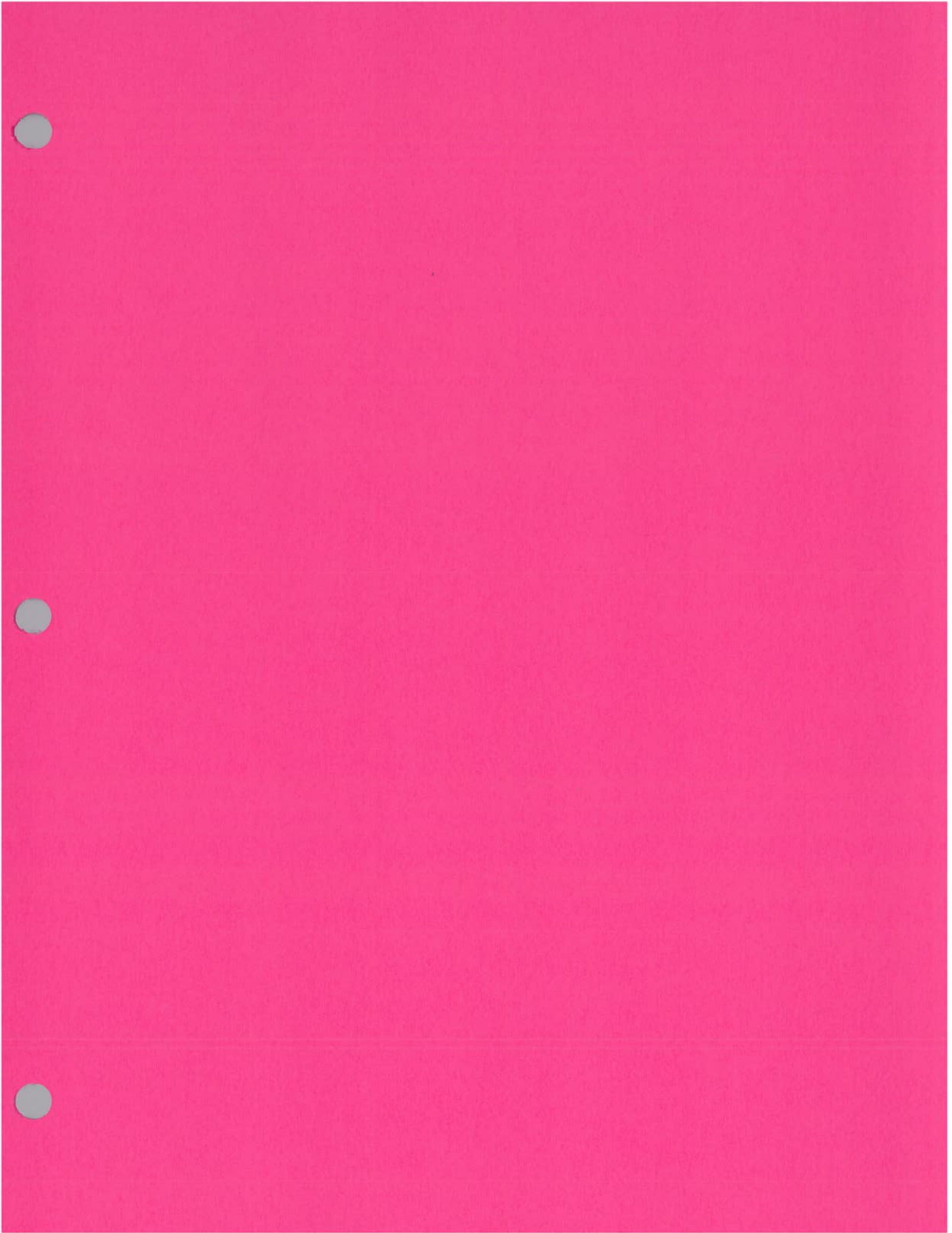
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# REQUIREMENTS

It is intended that the PD be  
the only formal requirement for  
performance reporting by  
operating units to USAID  
Washington

Washington Field Office, 2200 Wilson Blvd., Suite 1000  
Washington, DC 20037





TO BECOME A TEAM REQUIRES.....

- + A group with a clear and agreed upon charter, or purpose and common goals;
- + Interdependence - you need each others' skills and experience;
- + Members believe working together is better than working alone;
- + Having frequent interaction as a group;
- + The group is empowered to make decisions and solve problems;
- + Individual commitment to the group and acceptance of each other's membership in the group;
- + The resources to fulfill the charter, purpose or goals;
- + Authority granted by a higher level and accountability for results.

## **TEAM EMPOWERMENT\***

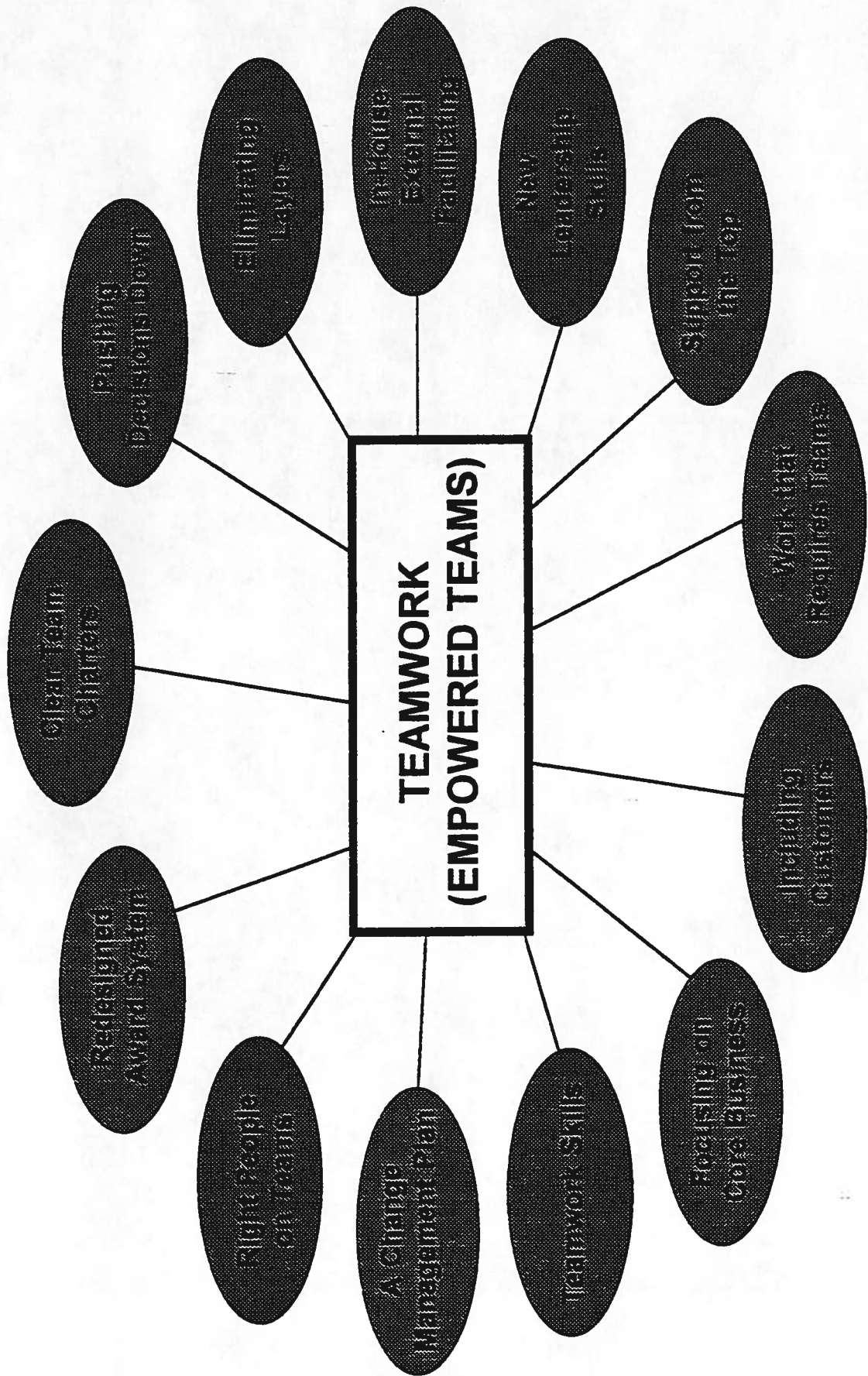
1. Assumes team planning and implementation is *principally* (if not totally) determined by team members.
2. Encourages the full expression of individual excellence *within* an interdependent group framework.
3. Incorporates the definitions of responsibility, accountability, and empowerment as the basis for operational agreements.
4. Shifts the focus of project and task completion from the individual to the group (out of practical necessity or choice).
5. Espouses that the efforts and agreements of the group supersede those of the individual.
6. Requires the mastery of interpersonal skills.
7. Requires an alignment and commitment of the team's strategies, objectives, and goals.
8. Requires trust, cooperation, and participative leadership.
9. Includes as much diversity as is possible or available.

**\*A team is a group of co-workers who must rely on group interdependence and support in order to successfully achieve an objective or goal.**

**From MANAGEMENT BY EMPOWERMENT  
Created by Innovations International, Inc.**

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# Deep-Rooted Teamwork Requires Systemic Change



## IMPLEMENTING EMPOWERMENT

*The* most important factor to understand when implementing this management philosophy is that it is a *transformation* of the organizational culture. This means a fundamental change in an organization's pattern of beliefs, values, attitudes, and norms that dictate its day-to-day operation, both spoken and unspoken. It also means a change in the basis and procedure for decision making and policy making. Ultimately, every employee in the organization must be impacted by this change in the way work is performed and managed.

The organizational leadership is the most important segment in instituting cultural change, whether it is participative or hierarchical. The leadership must clearly communicate the organization the rationale for and value of the new cultural framework. This must be done in a *sufficiently inviting and persuasive manner* so that it is accepted and embraced through self-enrollment by a critical and significant part of the organization.

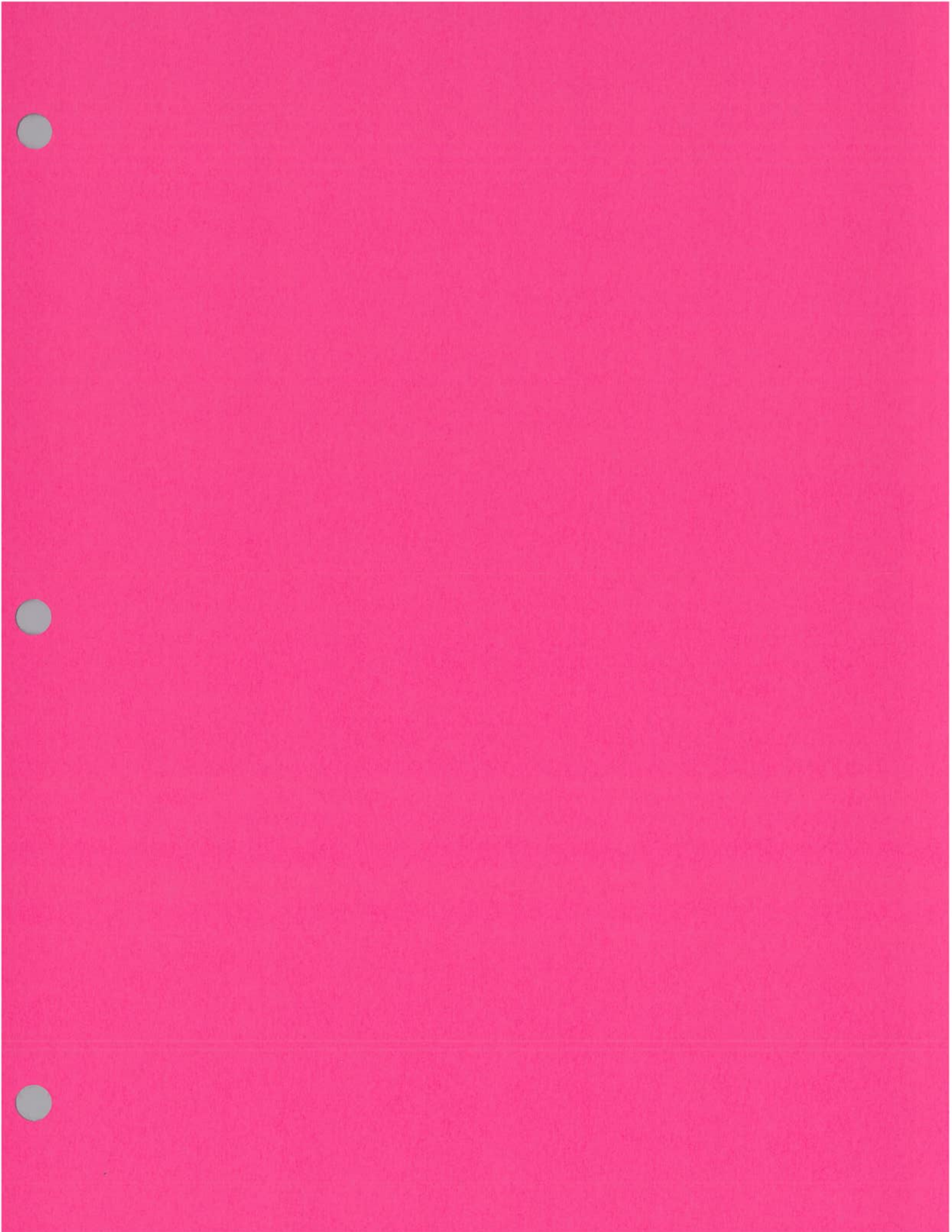
The rate at which empowerment occurs as a concerted and systematic process is determined by the level of organizational support; where "concerted" refers to a long-term plan and "systematic" refers to the successful stepwise implementation of the plan. Organizational support is an ongoing process established by a unit, division, and/or organization which not only encourages, but visibly demonstrates its expectation of empowered behavior, empowered employees, and an empowered organization.

## Developing a Team Contract

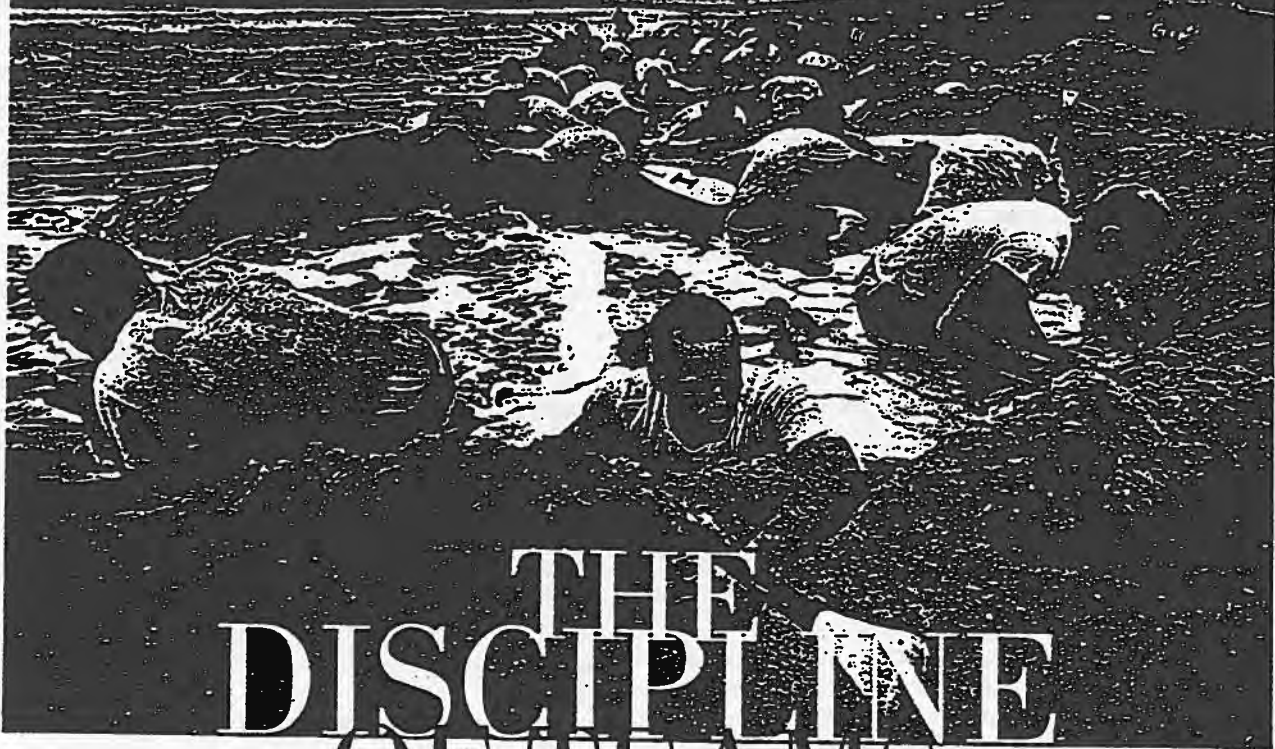
### DESCRIPTION:

The team develops guidelines for team behavior commitments, and ways of working together. The team discusses the guidelines, produces a written document, and each team member signs the contract to indicate personal commitment. The contract can be given to each team member and posted in the team meeting room. These team rules, group norms and agreements can cover the following areas:

1. Identification of the team mission statement, team values and team goals.
2. A start and completion date.
3. Agreements on meeting management (having agendas in advance, stating time allotted for each agenda item, summarizing decisions in the minutes, starting on time, attending regularly, how absent members are brought up to speed, full participation in meetings, regular team meeting times and place).
4. Definition of key roles: leader, facilitator, recorder, process observer, timekeeper, member, sponsor, resource people, supervisor. Names of team members and sponsor, resource people and supervisor. A commitment to rotate team roles among team members.
5. Commitments regarding time needed from team members and any other resources team members may need to contribute. Agreements about how to handle absences of team members, tardiness, not meeting deadlines, or other problem areas.
6. Description of the way the team will work together: the Use of individual work, work teams and other world methods, the ways decisions will be made, how the team will handle disagreement with decisions.
7. Description of the way the team will work together: the use of individual work, work teams and other work methods, the ways decisions will be mad, how the team will handle disagreement with decisions.
8. Any other issue the team wants to clarify.
9. Signatures of all team members.



What makes the difference between a team that performs and one that doesn't?



# THE DISCIPLINE OF TEAMS

By Jon R. Katzenbach and Douglas K. Smith

Early in the 1980s, Bill Greenwood and a small band of rebel railroaders took on most of the top management of Burlington Northern and created a multibillion-dollar business in "piggy-backing" rail services despite widespread resistance, even resentment, within the company. The Medical Products Group at Hewlett-Packard owes most of its leading performance to the remarkable efforts of Dean Morton, Lew Platt, Ben Holmes, Dick Alberting, and a handful of their colleagues who revitalized a health care business that most others had written off. At Knight-Ridder, Jim Batten's "customer obsession" vision took root at the *Tallahassee Democrat* when 14 frontline enthusiasts turned a charter to eliminate errors into a mission of major change and took the entire paper along with them.

Such are the stories and the work of teams – real teams that perform, not amorphous groups that we

call teams because we think that the label is motivating and energizing. The difference between teams that perform and other groups that don't is a subject to which most of us pay far too little attention. Part of the problem is that *team* is a word and concept so familiar to everyone.

Or at least that's what we thought when we set out to do research for our book *The Wisdom of Teams*. We wanted to discover what differentiates various levels of team performance, where and how teams work best, and what top management can do to enhance their effectiveness. We talked with hundreds of people on more than 50 different teams in

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30 companies and beyond, from Motorola and Hewlett-Packard to Operation Desert Storm and the Girl Scouts.

We found that there is a basic discipline that makes teams work. We also found that teams and good performance are inseparable; you cannot have one without the other. But people use the word *team* so loosely that it gets in the way of learning and applying the discipline that leads to good performance. For managers to make better decisions about whether, when, or how to encourage and use teams, it is important to be more precise about what a team is and what it isn't.

Most executives advocate teamwork. And they should. Teamwork represents a set of values that encourage listening and responding constructively to views expressed by others, giving others the benefit of the doubt, providing support, and recognizing the interests and achievements of others. Such values help teams perform, and they also promote individual performance as well as the performance of an entire organization. But teamwork values by themselves are not exclusive to teams, nor are they enough to ensure team performance.

Nor is a team just any group working together. Committees, councils, and task forces are not necessarily teams. Groups do not become teams simply because that is what someone calls them. The entire work force of any large and complex organization is *never* a team, but think about how often that platitude is offered up.

To understand how teams deliver extra performance, we must distinguish between teams and other forms of working groups. That distinction turns on performance results. A working group's performance is a function of what its members do as individuals. A team's performance includes both individual results and what we call "collective work-products." A collective work-product is what two or more members must work on together, such as interviews, surveys, or experiments. Whatever it is, a collective work-product reflects the joint, real contribution of team members.

Working groups are both prevalent and effective in large organizations where individual accountability is most important. The best working groups come together to share information, perspectives, and insights; to make decisions that help each person do his or her job better; and to reinforce individual performance standards. But the focus is always on individual goals and accountabilities. Working-group members don't take responsibility for results other than their own. Nor do they try to develop incremental performance contributions requiring the combined work of two or more members.

Teams differ fundamentally from working groups because they require both individual and mutual accountability. Teams rely on more than group discussion, debate, and decision; on more than sharing information and best practice performance standards. Teams produce discrete work-products through the joint contributions of their members. This is what makes possible performance levels greater than the sum of all the individual bests of team members. Simply stated, a team is more than the sum of its parts.

The first step in developing a disciplined approach to team management is to think about teams as discrete units of performance and not just as positive sets of values. Having observed and worked with scores of teams in action, both successes and failures, we offer the following. Think of it as a working definition or, better still, an essential discipline that real teams share.

*A team is a small number of people with complementary skills who are committed to a common purpose, set of performance goals, and approach for which they hold themselves mutually accountable.*

**T**he essence of a team is common commitment. Without it, groups perform as individuals; with it, they become a powerful unit of collective performance. This kind of commitment requires a purpose in which team members can believe. Whether the purpose is to "transform the contributions of suppliers into the satisfaction of customers," to "make our company one we can be proud of again," or to "prove that all children can learn," credible team purposes have an element related to winning, being first, revolutionizing, or being on the cutting edge.

Teams develop direction, momentum, and commitment by working to shape a meaningful purpose. Building ownership and commitment to team purpose, however, is not incompatible with taking initial direction from outside the team. The often-asserted assumption that a team cannot "own" its purpose unless management leaves it alone actually confuses more potential teams than it helps. In fact, it is the exceptional case – for example, entrepreneurial situations – when a team creates a purpose entirely on its own.

Most successful teams shape their purposes in response to a demand or opportunity put in their path, usually by higher management. This helps teams get started by broadly framing the company's performance expectation. Management is responsible for clarifying the charter, rationale, and perfor-



mance challenge for the team, but management must also leave enough flexibility for the team to develop commitment around its own spin on that purpose, set of specific goals, timing, and approach.

The best teams invest a tremendous amount of time and effort exploring, shaping, and agreeing on a purpose that belongs to them both collectively and individually. This "purposing" activity continues throughout the life of the team. In contrast, failed teams rarely develop a common purpose. For whatever reason – an insufficient focus on performance, lack of effort, poor leadership – they do not coalesce around a challenging aspiration.

The best teams also translate their common purpose into specific performance goals, such as reducing the reject rate from suppliers by 50% or increasing the math scores of graduates from 40% to 95%. Indeed, if a team fails to establish specific performance goals or if those goals do not relate directly to the team's overall purpose, team members become confused, pull apart, and revert to mediocre performance. By contrast, when purposes and goals build on one another and are combined with team commitment, they become a powerful engine of performance.

Transforming broad directives into specific and measurable performance goals is the surest first step for a team trying to shape a purpose meaningful to its members. Specific goals, such as getting a new product to market in less than half the normal time, responding to all customers within 24 hours, or achieving a zero-defect rate while simultaneous-

ly cutting costs by 40%, all provide firm footholds for teams. There are several reasons:

■ Specific team performance goals help to define a set of work-products that are different both from an organizationwide mission and from individual job objectives. As a result, such work-products require the collective effort of team members to make something specific happen that, in and of itself, adds real value to results. By contrast, simply gathering from time to time to make decisions will not sustain team performance.

■ The specificity of performance objectives facilitates clear communication and constructive conflict within the team. When a plant-level team, for example, sets a goal of reducing average machine changeover time to two hours, the clarity of the goal forces the team to concentrate on what it would take either to achieve or to reconsider the goal. When such goals are clear, discussions can focus on how to pursue them or whether to change them; when goals are ambiguous or nonexistent, such discussions are much less productive.

■ The attainability of specific goals helps teams maintain their focus on getting results. A product-development team at Eli Lilly's Peripheral Systems Division set definite yardsticks for the market introduction of an ultrasonic probe to help doctors locate deep veins and arteries. The probe had to have an audible signal through a specified depth of tissue, be capable of being manufactured at a rate of 100 per day, and have a unit cost less than a pre-established amount. Because the team could measure

## Not All Groups Are Teams: How to Tell the Difference

### Working Group

- Strong, clearly focused leader
- Individual accountability
- The group's purpose is the same as the broader organizational mission
- Individual work-products
- Runs efficient meetings
- Measures its effectiveness indirectly by its influence on others (e.g., financial performance of the business)
- Discusses, decides, and delegates

### Team

- Shared leadership roles
- Individual and mutual accountability
- Specific team purpose that the team itself delivers
- Collective work-products
- Encourages open-ended discussion and active problem-solving meetings
- Measures performance directly by assessing collective work-products
- Discusses, decides, and does real work together

its progress against each of these specific objectives, the team knew throughout the development process where it stood. Either it had achieved its goals or not.

■ As Outward Bound and other team-building programs illustrate, specific objectives have a leveling effect conducive to team behavior. When a small group of people challenge themselves to get over a wall or to reduce cycle time by 50%, their respective titles, perks, and other stripes fade into the background. The teams that succeed evaluate what and how each individual can best contribute to the team's goal and, more important, do so in terms of the performance objective itself rather than a person's status or personality.

■ Specific goals allow a team to achieve small wins as it pursues its broader purpose. These small wins are invaluable to building commitment and overcoming the inevitable obstacles that get in the way of a long-term purpose. For example, the Knight-Ridder team mentioned at the outset turned a narrow goal to eliminate errors into a compelling customer-service purpose.

■ Performance goals are compelling. They are symbols of accomplishment that motivate and energize. They challenge the people on a team to commit themselves, as a team, to make a difference. Drama, urgency, and a healthy fear of failure combine to drive teams who have their collective eye on an attainable, but challenging, goal. Nobody but the team can make it happen. It is their challenge.

The combination of purpose and specific goals is essential to performance. Each depends on the other to remain relevant and vital. Clear performance goals help a team keep track of progress and hold itself accountable; the broader, even nobler, aspirations in a team's purpose supply both meaning and emotional energy.

Virtually all effective teams we have met, read or heard about, or been members of have ranged between 2 and 25 people. For example, the Burlington Northern "piggybacking" team had 7 members, the Knight-Ridder newspaper team, 14. The majority of them have numbered less than 10. Small size is admittedly more of a pragmatic guide than an absolute necessity for success. A large number of people, say 50 or more, can theoretically become a team. But groups of such size are more likely to break into subteams rather than function as a single unit.

Why? Large numbers of people have trouble interacting constructively as a group, much less doing real work together. Ten people are far more likely than fifty are to work through their individual,

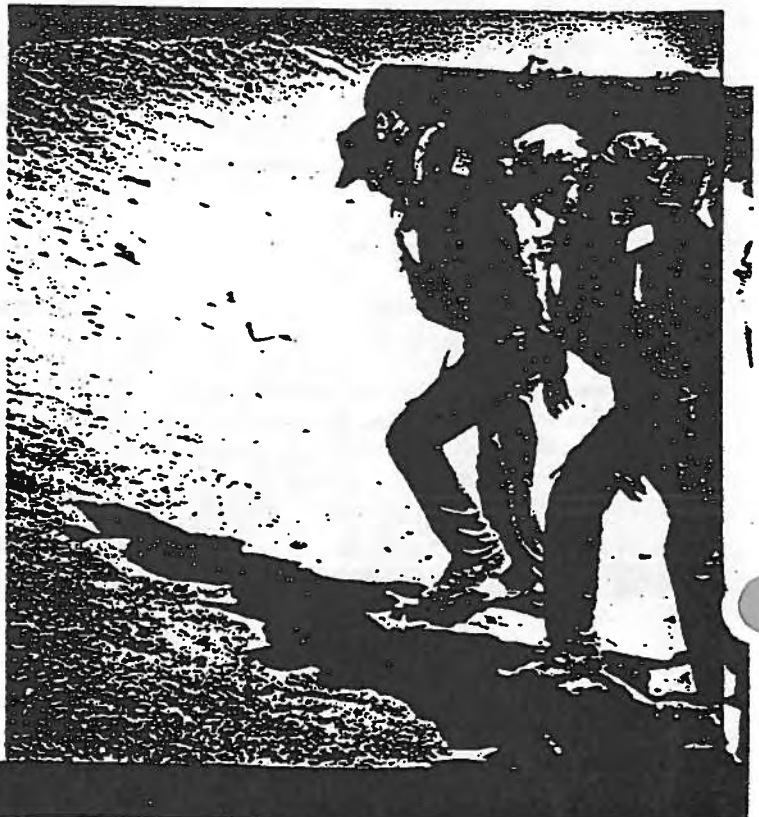
functional, and hierarchical differences toward a common plan and to hold themselves jointly accountable for the results.

Large groups also face logistical issues, such as finding enough physical space and time to meet. And they confront more complex constraints, like crowd or herd behaviors, which prevent the intense

Goals help a team keep track of progress, while a broader purpose supplies meaning and emotional energy.

sharing of viewpoints needed to build a team. As a result, when they try to develop a common purpose, they usually produce only superficial "missions" and well-meaning intentions that cannot be translated into concrete objectives. They tend fairly quickly to reach a point when meetings become a chore, a clear sign that most of the people in the group are uncertain why they have gathered, beyond some notion of getting along better. Anyone who has been through one of these exercises knows how frustrating it can be. This kind of failure tends to foster cynicism, which gets in the way of future team efforts.

In addition to finding the right size, teams must develop the right mix of skills, that is, each of the complementary skills necessary to do the team's job. As obvious as it sounds, it is a common failing in potential teams. Skill requirements fall into three fairly self-evident categories:



*Technical or functional expertise.* It would make little sense for a group of doctors to litigate an employment discrimination case in a court of law. Yet teams of doctors and lawyers often try medical malpractice or personal injury cases. Similarly, product-development groups that include only marketers or engineers are less likely to succeed than those with the complementary skills of both.

*Problem-solving and decision-making skills.* Teams must be able to identify the problems and opportunities they face, evaluate the options they have for moving forward, and then make necessary trade-offs and decisions about how to proceed. Most teams need some members with these skills to begin with, although many will develop them best on the job.

*Interpersonal skills.* Common understanding and purpose cannot arise without effective communication and constructive conflict, which in turn depend on interpersonal skills. These include risk taking, helpful criticism, objectivity, active listening, giving the benefit of the doubt, and recognizing the interests and achievements of others.

Obviously, a team cannot get started without some minimum complement of skills, especially technical and functional ones. Still, think about how often you've been part of a team whose members were chosen primarily on the basis of personal compatibility or formal position in the organization, and in which the skill mix of its members wasn't given much thought.

It is equally common to overemphasize skills in team selection. Yet in all the successful teams we've encountered, not one had all the needed

skills at the outset. The Burlington Northern team, for example, initially had no members who were skilled marketers despite the fact that their performance challenge was a marketing one. In fact, we discovered that teams are powerful vehicles for developing the skills needed to meet the team's performance challenge. Accordingly, team member selection ought to ride as much on skill potential as on skills already proven.

**E**ffective teams develop strong commitment to a common approach, that is, to how they will work together to accomplish their purpose. Team members must agree on who will do particular jobs, how schedules will be set and adhered to, what skills need to be developed, how continuing membership in the team is to be earned, and how the group will make and modify decisions. This element of commitment is as important to team performance as is the team's commitment to its purpose and goals.

Agreeing on the specifics of work and how they fit together to integrate individual skills and advance team performance lies at the heart of shaping a common approach. It is perhaps self-evident that an approach that delegates all the real work to a few members (or staff outsiders), and thus relies on reviews and meetings for its only "work together" aspects, cannot sustain a real team. Every member of a successful team does equivalent amounts of real work; all members, including the team leader, contribute in concrete ways to the team's work-product. This is a very important element of the emotional logic that drives team performance.



When individuals approach a team situation, especially in a business setting, each has preexisting job assignments as well as strengths and weaknesses reflecting a variety of backgrounds, talents, personalities, and prejudices. Only through the mutual discovery and understanding of how to apply all its human resources to a common purpose can a team develop and agree on the best approach to achieve its goals. At the heart of such long and, at times, difficult interactions lies a commitment-building process in which the team candidly explores who is best suited to each task as well as how individual

Think about the difference between "the boss holds me accountable" and "we hold ourselves accountable."

roles will come together. In effect, the team establishes a social contract among members that relates to their purpose and guides and obligates how they must work together.

No group ever becomes a team until it can hold itself accountable as a team. Like common purpose and approach, mutual accountability is a stiff test. Think, for example, about the subtle but critical difference between "the boss holds me accountable" and "we hold ourselves accountable." The first case can lead to the second; but without the second, there can be no team.

Companies like Hewlett-Packard and Motorola have an ingrained performance ethic that enables teams to form "organically" whenever there is a clear performance challenge requiring collective rather than individual effort. In these companies, the factor of mutual accountability is commonplace. "Being in the boat together" is how their performance game is played.

At its core, team accountability is about the sincere promises we make to ourselves and others, promises that underpin two critical aspects of effective teams: commitment and trust. Most of us enter a potential team situation cautiously because ingrained individualism and experience discourage us from putting our fates in the hands of others or accepting responsibility for others. Teams do not succeed by ignoring or wishing away such behavior.

Mutual accountability cannot be coerced any more than people can be made to trust one another. But when a team shares a common purpose, goals, and approach, mutual accountability grows as a natural counterpart. Accountability arises from and reinforces the time, energy, and action invested

in figuring out what the team is trying to accomplish and how best to get it done.

When people work together toward a common objective, trust and commitment follow. Consequently, teams enjoying a strong common purpose and approach inevitably hold themselves responsible, both as individuals and as a team, for the team's performance. This sense of mutual accountability also produces the rich rewards of mutual achievement in which all members share. What we heard over and over from members of effective teams is that they found the experience energizing and motivating in ways that their "normal" jobs never could match.

On the other hand, groups established primarily for the sake of becoming a team or for job enhancement, communication, organizational effectiveness, or excellence rarely become effective teams, as demonstrated by the bad feelings left in many companies after experimenting with quality circles that never translated "quality" into specific goals. Only when appropriate performance goals are set does the process of discussing the goals and the approaches to them give team members a clearer and clearer choice: they can disagree with a goal and the path that the team selects and, in effect, opt out, or they can pitch in and become accountable with and to their teammates.

The discipline of teams we've outlined is critical to the success of all teams. Yet it is also useful to go one step further. Most teams can be classified in one of three ways: teams that recommend things, teams that make or do things, and teams that run things. In our experience, each type faces a characteristic set of challenges.

*Teams that recommend things.* These teams include task forces, project groups, and audit, quality, or safety groups asked to study and solve particular problems. Teams that recommend things almost always have predetermined completion dates. Two critical issues are unique to such teams: getting off to a fast and constructive start and dealing with the ultimate handoff required to get recommendations implemented.

The key to the first issue lies in the clarity of the team's charter and the composition of its membership. In addition to wanting to know why and how their efforts are important, task forces need a clear definition of whom management expects to participate and the time commitment required. Management can help by ensuring that the team includes people with the skills and influence necessary for crafting practical recommendations that will carry weight throughout the organization. Moreover,

management can help the team get the necessary cooperation by opening doors and dealing with political obstacles.

Missing the handoff is almost always the problem that stymies teams that recommend things. To avoid this, the transfer of responsibility for recommendations to those who must implement them demands top management's time and attention. The more top managers assume that recommendations will "just happen," the less likely it is that they will. The more involvement task force members have in implementing their recommendations, the more likely they are to get implemented.

To the extent that people outside the task force will have to carry the ball, it is critical to involve them in the process early and often, certainly well before recommendations are finalized. Such involvement may take many forms, including participating in interviews, helping with analyses, contributing and critiquing ideas, and conducting experiments and trials. At a minimum, anyone responsible for implementation should receive a briefing on the task force's purpose, approach, and objectives at the beginning of the effort as well as regular reviews of progress.

*Teams that make or do things.* These teams include people at or near the front lines who are responsible for doing the basic manufacturing, development, operations, marketing, sales, service, and other value-adding activities of a business. With some exceptions, like new-product development or process design teams, teams that make or do things tend to have no set completion dates because their activities are ongoing.

In deciding where team performance might have the greatest impact, top management should concentrate on what we call the company's "critical delivery points," that is, places in the organization

Where does the team option make sense? Where the cost and value of the company's products and services are most directly determined.

where the cost and value of the company's products and services are most directly determined. Such critical delivery points might include where accounts get managed, customer service performed, products designed, and productivity determined. If performance at critical delivery points depends on combining multiple skills, perspectives, and judg-

ments in real time, then the team option is the smartest one.

When an organization does require a significant number of teams at these points, the sheer challenge of maximizing the performance of so many groups will demand a carefully constructed and performance-focused set of management processes. The issue here for top management is how to build the necessary systems and process supports without falling into the trap of appearing to promote teams for their own sake.

The imperative here, returning to our earlier discussion of the basic discipline of teams, is a relentless focus on performance. If management fails to pay persistent attention to the link between teams and performance, the organization becomes convinced that "this year we are doing 'teams.'" Top

Top management's focus on teams and performance challenges will keep both "performance" and "team" from becoming clichés:

management can help by instituting processes like pay schemes and training for teams responsive to their real time needs, but more than anything else, top management must make clear and compelling demands on the teams themselves and then pay constant attention to their progress with respect to both team basics and performance results. This means focusing on specific teams and specific performance challenges. Otherwise "performance," like "team," will become a cliché.

*Teams that run things.* Despite the fact that many leaders refer to the group reporting to them as a team, few groups really are. And groups that become real teams seldom think of themselves as a team because they are so focused on performance results. Yet the opportunity for such teams includes groups from the top of the enterprise down through the divisional or functional level. Whether it is in charge of thousands of people or a handful, as long as the group oversees some business, ongoing program, or significant functional activity, it is a team that runs things.

The main issue these teams face is determining whether a real team approach is the right one. Many groups that run things can be more effective as working groups than as teams. The key judgment is whether the sum of individual bests will suffice for the performance challenge at hand or whether

the group must deliver substantial incremental performance requiring real, joint work-products. Although the team option promises greater performance, it also brings more risk, and managers must be brutally honest in assessing the trade-offs.

Members may have to overcome a natural reluctance to trust their fate to others. The price of faking the team approach is high: at best, members get diverted from their individual goals, costs outweigh benefits, and people resent the imposition on their

**Teams at the top are the most difficult but also the most powerful.**

time and priorities; at worst, serious animosities develop that undercut even the potential personal bests of the working-group approach.

Working groups present fewer risks. Effective working groups need little time to shape their purpose since the leader usually establishes it. Meetings are run against well-prioritized agendas. And decisions are implemented through specific individual assignments and accountabilities. Most of the time, therefore, if performance aspirations can be met through individuals doing their respective

jobs well, the working-group approach is more comfortable, less risky, and less disruptive than trying for more elusive team performance levels. Indeed, if there is no performance need for the team approach, efforts spent to improve the effectiveness of the working group make much more sense than floundering around trying to become a team.

Having said that, we believe the extra level of performance teams can achieve is becoming critical for a growing number of companies, especially as they move through major changes during which company performance depends on broad-based behavioral change. When top management uses teams to run things, it should make sure the team succeeds in identifying specific purposes and goals.

This is a second major issue for teams that run things. Too often, such teams confuse the broad mission of the total organization with the specific purpose of their small group at the top. The discipline of teams tells us that for a real team to form there must be a *team* purpose that is distinctive and specific to the small group and that requires its members to roll up their sleeves and accomplish something beyond individual end-products. If a group of managers looks only at the economic performance of the part of the organization it runs to assess overall effectiveness, the group will not have any team performance goals of its own.

## Building Team Performance

Although there is no guaranteed how-to recipe for building team performance, we observed a number of approaches shared by many successful teams:

**Establish urgency, demanding performance standards, and direction.** All team members need to believe the team has urgent and worthwhile purposes, and they want to know what the expectations are. Indeed, the more urgent and meaningful the rationale, the more likely it is that the team will live up to its performance potential, as was the case for a customer-service team that was told that further growth for the entire company would be impossible without major improvements in that area. Teams work best in a compelling context. That is why companies with strong performance ethics usually form teams readily.

**Select members for skill and skill-potential, not personality.** No team succeeds without all the skills needed to meet its purpose and performance goals. Yet most teams figure out the skills they will need after they are formed. The wise manager will choose people both for their existing skills and their potential to improve existing skills and learn new ones.

**Pay particular attention to first meetings and actions.** Initial impressions always mean a great deal. When potential teams first gather, everyone monitors the signals given by others to confirm, suspend, or dispel assumptions and concerns. They pay particular attention to those in authority: the team leader and any executives who set up, oversee, or otherwise influence the team. And, as always, what such leaders do is more important than what they say. If a senior executive leaves the room to go to take a phone call ten minutes after the session has begun and he never returns, people get the message.

**Set some clear rules of behavior.** All effective teams develop rules of conduct at the outset to help them achieve their purpose and performance goals. The most critical initial rules pertain to attendance (for example, "no interruptions to take phone calls," "discussion," "no sacred cows," "confidentiality," "the only things to leave this room are what we agree on," "analytic approach," "facts are friendly," "end-product orientation," "everyone gets assignments and does them," "constructive confrontation," "no finger pointing"), and, often, the most important contribution ("everyone does real work").

While the basic discipline of teams does not differ for them, teams at the top are certainly the most difficult. The complexities of long-term challenges, heavy demands on executive time, and the deep-seated individualism of senior people conspire against teams at the top. At the same time, teams at the top are the most powerful. At first we thought such teams were nearly impossible. That is because we were looking at the teams as defined by the formal organizational structure, that is, the leader and all his or her direct reports equals the team. Then we discovered that real teams at the top were often smaller and less formalized - Whitehead and Weinberg at Goldman, Sachs; Hewlett and Packard at HP; Krasnoff, Pall, and Hardy at Pall Corp; Kendall, Pearson, and Calloway at Pepsi; Haas and Haas at Levi Strauss; Batten and Ridder at Knight-Ridder. They were mostly twos and threes, with an occasional fourth.

Nonetheless, real teams at the top of large, complex organizations are still few and far between. Far too many groups at the top of large corporations needlessly constrain themselves from achieving real team levels of performance because they assume that all direct reports must be on the team; that team goals must be identical to corporate goals; that the team members' positions rather than skills determine their respective roles; that a team

must be a team all the time; and that the team leader is above doing real work.

As understandable as these assumptions may be, most of them are unwarranted. They do not apply to the teams at the top we have observed, and when replaced with more realistic and flexible assumptions that permit the team discipline to be applied, real team performance at the top can and does occur. Moreover, as more and more companies are confronted with the need to manage major change across their organizations, we will see more real teams at the top.

**W**e believe that teams will become the primary unit of performance in high-performance organizations. But that does not mean that teams will crowd out individual opportunity or formal hierarchy and process. Rather, teams will enhance existing structures without replacing them. A team opportunity exists anywhere hierarchy or organizational boundaries inhibit the skills and perspectives needed for optimal results. Thus, new-product innovation requires preserving functional excellence through structure while eradicating functional bias through teams. And front-line productivity requires preserving direction and guidance through hierarchy while drawing on energy and flexibility through self-managing teams.

*Set and seize upon a few immediate performance-oriented tasks and goals.* Most effective teams trace their advancement to key performance-oriented events. Such events can be set in motion by immediately establishing a few challenging goals that can be reached early on. There is no such thing as a real team without performance results, so the sooner such results occur, the sooner the team congeals.

*Challenge the group regularly with fresh facts and information.* New information causes a team to redefine and enrich its understanding of the performance challenge, thereby helping the team shape a common purpose, set clearer goals, and improve its common approach. A plant quality improvement team knew the cost of poor quality was high, but it wasn't until they researched the different types of defects and put a price tag on each one that they knew where to go next. Conversely, teams err when they assume that all the information needed exists in the collective experience and knowledge of their members.

*Spend lots of time together.* Common sense tells us that team members must spend a lot of time together, scheduled and unscheduled, especially in the beginning. Indeed, creative insights as well as personal

bonding require impromptu and casual interactions just as much as analyzing spreadsheets and interviewing customers. Busy executives and managers too often intentionally minimize the time they spend together. The successful teams we've observed all gave themselves the time to learn to be a team. This time need not always be spent together physically; electronic, fax, and phone time can also count as time spent together.

*Exploit the power of positive feedback, recognition, and reward.* Positive reinforcement works as well in a team context as elsewhere. "Giving out gold stars" helps to shape new behaviors critical to team performance. If people in the group, for example, are alert to a shy person's initial efforts to speak up and contribute, they can give the honest positive reinforcement that encourages continued contributions. There are many ways to recognize and reward team performance beyond direct compensation, from having a senior executive speak directly to the team about the urgency of its mission to using awards to recognize contributions. Ultimately, however, the satisfaction shared by a team in its own performance becomes the most cherished reward.

We are convinced that every company faces specific performance challenges for which teams are the most practical and powerful vehicle at top management's disposal. The critical role for senior managers, therefore, is to worry about company performance and the kinds of teams that can deliver it. This means that top management must recognize

a team's unique potential to deliver results, deploy teams strategically when they are the best tool for the job, and foster the basic discipline of teams that will make them effective. By doing so, top management creates the kind of environment that enables team as well as individual and organizational performance.

#### *How's Your Team?*

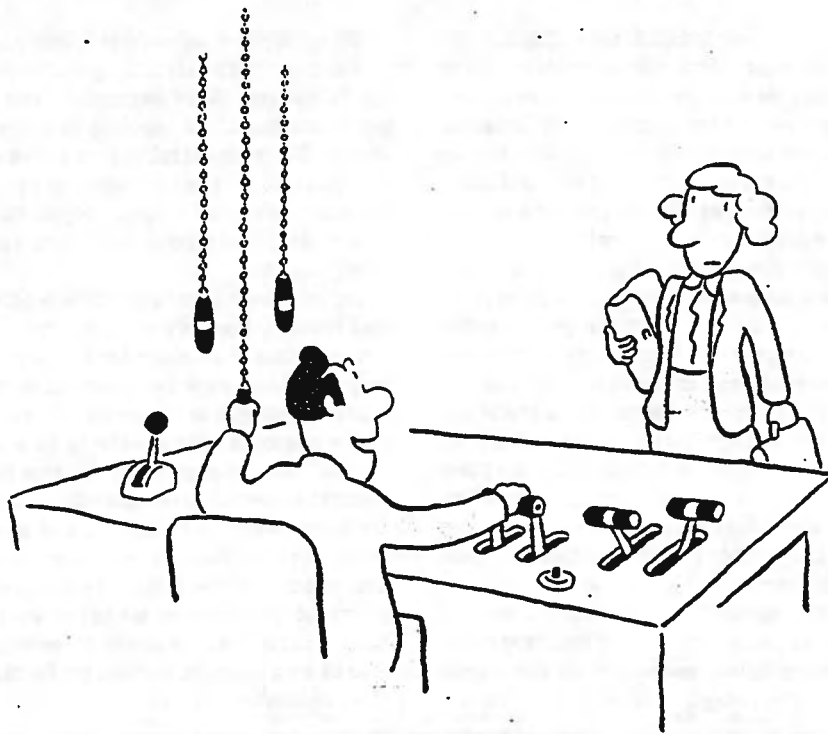
*In recent research, many executives have reported acute concern about how to build teams and how to work in teams. Few other skills, the data say, tap more intense interest among hundreds of managers. That's why we want to ask the community of HBR readers to deepen our knowledge on this subject, to let us learn from your experience.*

*The above article provides systematic findings on how and why teams work, and why some fail. We'd be grateful for a note from you on your personal experiences with teams. Please include your educational and work background and indicate any portions you do not want to be quoted. The authors are pleased to join us in studying your ideas, responding, and perhaps in further writing on teams.*

*We'd like to know if economic and technical changes have made teams more important to you in recent years. Do teams become critical as you move into higher management levels? Does MBA training help an executive to be more effective on teams? Less? Does previous success lock some executives into habits that inhibit their participation in teams or make them deaf to ideas from others? How can HBR be more useful in your own continuous improvement at team skills?*

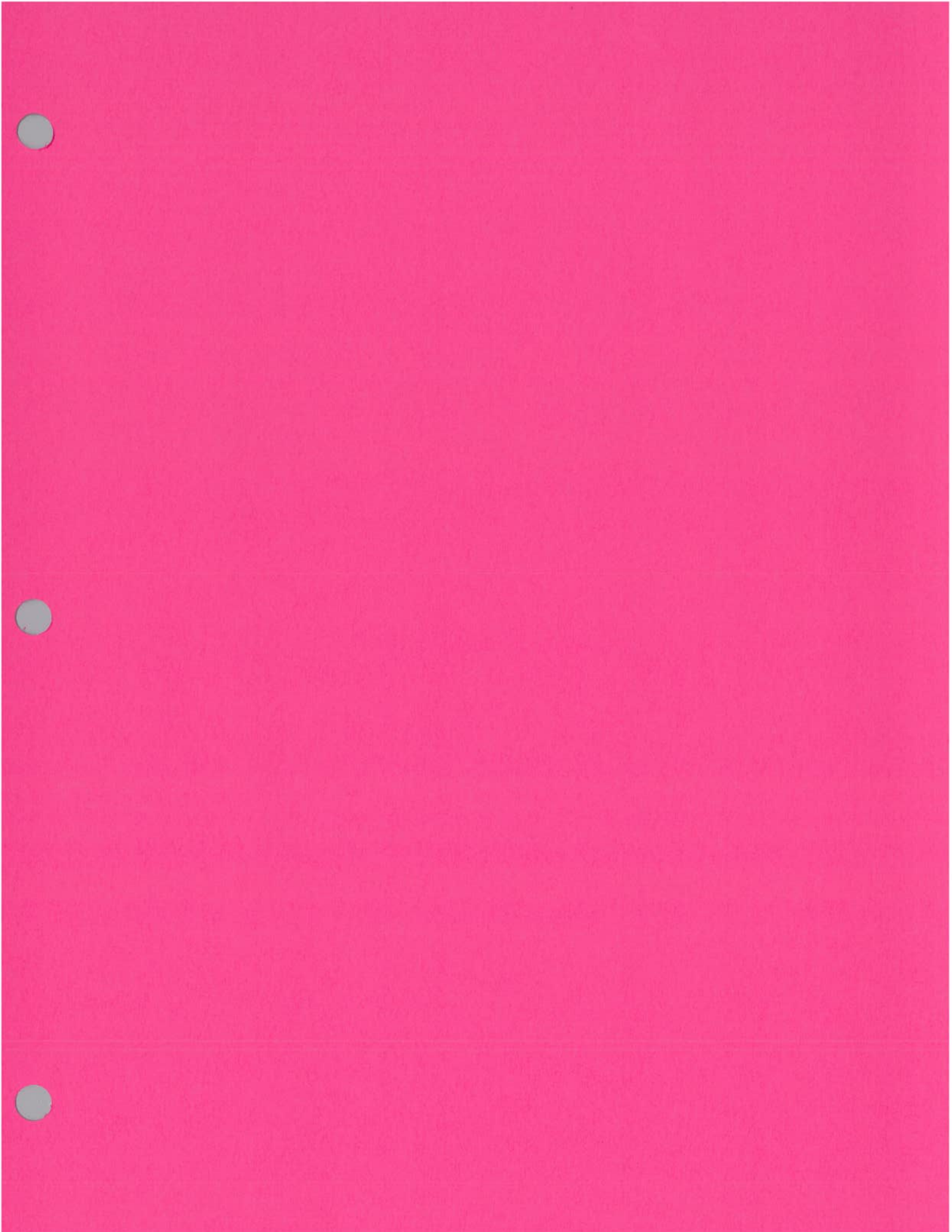
*Please mail your comments to Teams, Harvard Business Review, Soldiers Field Road, Boston, MA 02163 or fax them to 617-495-9933 The Editors*

Reprint 93207



*"They don't actually do anything. I just like the way they make me feel."*





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201.1 Authorities

1. The Foreign Assistance Act (FAA) of 1961, as amended
2. The Government Performance and Results Act of 1993, Public Law 102-62 (GPRA)
3. Chief Financial Officers Act of 1990, Public Law 101-576 (November 15, 1990)
4. Government Management Reform Act of 1994, Public Law 103-356 (October 13, 1994)
5. Agricultural Trade and Development and Assistance Act of 1954, as amended (P.L. 480)
6. SEED Act of 1989
7. Federal Manager's Financial Integrity Act of 1982

201.2 Objectives

The objective of this chapter is to ensure that strategic planning is effectively used in the management of Agency assistance programs and is serving the following purposes;

- To ensure that the efforts of the Agency's operating units are directed toward achieving significant development impact in priority areas through a participatory process involving stakeholders, partners, and customers.
- To provide a structure which allows operating units to make program choices and effectively respond to evolving circumstances.
- To establish a framework for monitoring the progress and effectiveness of the Agency's programs in accomplishing its objectives and allocating Agency resources.

201.3 Responsibilities

1. Bureau for Policy and Program Coordination (PPC): PPC is responsible for:

- a) establishing Agency policy regarding strategic planning requirements;
- b) developing and articulating the Agency's strategic plan and framework;

- c) issuing annual planning guidance to include resource parameters and program priorities in a timely manner;
- d) providing guidance on any special legislation which affects strategic planning;
- e) reviewing and approving supplemental planning guidance issued by the operating bureaus;
- f) reviewing and concurring with operating unit strategic plans for conformance with Agency goals and program policies;
- g) conducting the Agency review of bureau budget submissions with the M Bureau;
- h) establishing and maintaining a monitoring system for Agency goals and objectives;
- i) coordinating the review of Agency performance, and reporting on that performance;
- j) providing technical leadership in developing Agency and operating unit performance monitoring and evaluation systems;
- k) evaluating the effectiveness of Agency program strategies and other strategies used by operating units to achieve objectives;
- l) conducting evaluations on issues related to the delivery of development assistance of interest to the Agency or its stakeholders;
- m) maintaining the Agency's database of development information and development experience and acting as a repository for Agency lessons learned; and
- n) supporting its operating units in achieving approved objectives, and reviewing annually those units' performance in achieving their objectives.

2. Bureau for Management (M): M is responsible for:

- a) analyzing the resource requirements necessary to meet Agency goals;
- b) establishing indicative budget planning levels for operating bureaus in a timely manner;
- c) reviewing and concurring with operating unit strategic plans for consistency with anticipated resource availability;
- d) conducting the Agency review of bureau budget submissions with PPC;

e) ensuring that performance and results information are used in Agency resource allocation decision making;

f) preparing the Agency's annual budget request for OMB and Congress;

g) monitoring budget implementation; and

h) assisting PPC with establishing and maintaining the monitoring system for Agency goals and objectives, and reviewing and reporting on overall Agency performance.

3. Office of General Counsel (GC): GC is responsible for:

a) assuring that proposed activities are in compliance with all legal requirements;

b) assuring that such activities and their implementation were not in violation of any prohibitions against assistance; and

c) assuring that agreements with host countries, and other agreements as appropriate, meet the agency's requirements.

4. Regional Bureau: Each regional bureau is responsible for:

a) providing oversight and support to operating units in the strategic planning process, ensuring that strategic plans are in place for each operating unit;

b) providing supplemental policy guidance addressing concerns unique to the region as necessary;

c) establishing indicative country levels for budget planning prior to the initiation of the strategic planning process and the annual results review and resource request (R4) submission;

d) managing the Agency review of strategic plans for operating units under its authority;

e) reviewing strategic plans from its operating units as well as those from Global Bureau (G) and Bureau for Humanitarian Response (BHR) operating units for consistency with regional priorities and geopolitical considerations;

f) approving country and regional strategic plans under its purview with concurrence from Management (M), Policy and Program Coordination (PPC), General Counsel (GC), BHR (as appropriate), and G;

g) providing an analytic overview of results in the region in conjunction with the annual bureau budget submission;

h) supporting its respective operating units overseas and, in USAID Washington (USAID/W), in achieving approved objectives, pursuant to

the management contracts established following the review and approval of strategic plans;

i) reviewing and assessing the performance of each of its operating units in achieving that unit's objectives;

j) coordinating the participation in these reviews of PPC, M, G, and BHR; and

k) participating in the review of overall Agency performance.

5. Global Bureau (G): G is responsible for:

a) assisting overseas and USAID/W operating units by providing technical leadership and guidance in the development and review of strategic plans;

b) organizing the provision to all operating units of central technical resources which are relevant to implementation of strategic plans;

c) providing assistance to PPC in establishing and maintaining the monitoring system for Agency goals and objectives;

d) participating in regional bureau reviews of field mission performance, and in the review of overall Agency performance;

e) providing oversight and support to its own operating units in developing their strategic plans, ensuring appropriate consultation in this process with operating units in the field, managing the Agency review of those plans, and approving the plans with concurrence from M, PPC, GC, BHR (as appropriate) and regional bureaus; and

f) supporting its operating units in achieving approved objectives, and reviewing (in consultation with PPC, M, BHR and regional bureaus) and reporting annually those units' performance in achieving their objectives.

6. Bureau for Humanitarian Response (BHR): BHR is responsible for:

a) providing technical leadership and guidance in planning and implementation to all operating units in the area of humanitarian assistance, food aid, and programs which are in transition from relief to development as appropriate;

b) reviewing operating unit strategic plans to assure humanitarian, disaster relief, food aid, and transitional concerns are appropriately addressed, and participating in other bureau reviews of their respective operating units' performance;

c) organizing the provision of resources under its purview relevant

to implementing strategic plans;

d) providing oversight and support to its own operating units in developing their strategic plans;

e) ensuring appropriate consultation with operating units in the field;

f) managing the review and approval of strategic plans for operating units under its authority, with concurrence from M, PPC, GC, regional bureaus, and G; and

g) providing an analytic overview of results in its programs in conjunction with the annual bureau budget submission.

7. Operating Units: Operating units are responsible for:

a) developing strategic plans for program funds for which they have responsibility and authority;

b) ensuring the participation of other interested USAID offices, partners and customers throughout planning, achieving and performance monitoring and evaluating;

c) within the scope of its management contract, delegated authorities, and Agency directives, managing the implementation of the strategic plan, including establishing and defining authorities for strategic objective teams, achieving the objective(s) set forth in the plan, and reviewing performance and reporting annually on that performance to their respective bureaus;

d) during the course of implementation, ensuring that their strategic objective teams gather and use performance information to manage for results, and that adequate resources are programmed for performance monitoring and evaluation.

8. Strategic Objective Team: A strategic objective (SO) team is responsible for managing to achieve a specific strategic objective under the direction of an operating unit. The SO team's specific responsibilities include: .

a) establishing its internal operating rules and procedures (consistent with its delegated authorities);

b) involving customers and partners in collecting, reviewing and interpreting performance information, and assuring that agreed-to customer needs are addressed through activities being implemented;

c) grouping, as appropriate, results and associated activities from the SO's results framework into results packages (and regrouping as necessary);



- d) allocating resources associated with achieving the objective;
- e) developing and implementing (within subteams if appropriate) necessary and effective activities, contracts, grants and other agreements;
- f) monitoring, analyzing and reporting on performance against established performance criteria, and taking corrective action as necessary;
- g) using evaluative activities to determine why assistance is or is not achieving intended results;
- h) recommending to the operating unit any changes to an objective or the strategic plan;
- i) preparing appropriate close-out reports, including resources expended, accomplishments achieved and lessons learned;
- j) with respect to the strategic objective team leader, organizing, coordinating, coaching and inspiring the team to achieve the set of results leading to the strategic objective; and
- k) with respect to each strategic objective team member, advancing a common team effort to achieve the strategic objective assigned to the team, and implementing his or her specific responsibilities and authorities on that team.

#### 201.4 Definitions

1. **Activity:** An action undertaken either to help achieve a program result or set of results, or to support the functioning of the Agency or one of its operating units. In a program context, i.e., in the context of results frameworks and strategic objectives, an activity may include any action used to advance the achievement of a given result or objective, whether financial resources are used or not. E.g., an activity could be defined around the work of a USAID staff member directly negotiating policy change with a host country government, or it could involve the use of one or more grants or contracts to provide technical assistance and commodities in a particular area. (Also within this context, for the purposes of the New Management Systems [see definition], "activity" includes the strategic objective itself as an initial budgeting and accounting element to be used before any specific actions requiring obligations are defined.) In an operating expense context, an activity may include any action undertaken to meet the operating requirements of any organizational unit of the Agency.
2. **Activity Manager:** That member of the strategic objective or results package team designated by the team to manage a given activity or set of activities.
3. **Agency Goal:** A long-term development result in a specific area to

which USAID programs contribute and which has been identified as a specific goal by the Agency. (See also Operating Unit Goal.)

4. **Agency Mission:** The ultimate purpose of the Agency's programs; it is the unique contribution of USAID to our national interests. There is one Agency mission.

5. **Agency Objective:** A significant development result that USAID contributes to, and which contributes to the achievement of an Agency goal. Several Agency objectives contribute to each Agency goal. Changes in Agency objectives are typically observable only every few years.

6. **Agency Program Approach:** A program or tactic identified by the Agency as commonly used to achieve a particular objective. Several program approaches are associated with each Agency objective.

7. **Agency Strategic Plan:** The Agency's plan for providing development assistance; the strategic plan articulates the Agency's mission, goals, objectives, and program approaches.

8. **Agency Strategic Framework:** A graphical or narrative representation of the Agency's strategic plan; the framework is a tool for communicating USAID's development strategy. The framework also establishes an organizing basis for measuring, analyzing, and reporting results of Agency programs.

9. **Agent:** An individual or organization under contract with USAID.

10. **Agreement:** An agreement is the formal mutual consent of two or more parties. The Agency employs a variety of agreements to formally record understandings with other parties, including grant agreements, cooperative agreements, strategic objective agreements, memorandum of understanding, contracts and limited scope grant agreements. In most cases, the agreement identifies the results to be achieved, respective roles and contributions to resource requirements in pursuit of a shared objective within a given time frame.

11. **Assistance Mechanism:** A specific mode of assistance chosen to address an intended development result. Examples of mechanisms include: food aid, housing guaranties, debt-for-nature swaps, endowments, cash transfers, etc.

12. **Baseline:** See Performance Baseline.

13. **Causal Relationship:** A plausible cause and effect linkage; i.e. the logical connection between the achievement of related, interdependent results.

14. Critical Assumption: In the context of developing a results framework, critical assumptions refer to general conditions under which a development hypothesis will hold true or conditions which are outside of the control or influence of USAID, and which are likely to affect the achievement of results in the results framework. Examples might be: the ability to avert a crisis caused by drought, the outcome of a national election, or birth rates continuing to decline as it relates to an education program. A critical assumption differs from an intermediate result in the results framework in the sense that the intermediate result represents a focused and discrete outcome which specifically contributes to the achievement of the SO.

15. Customer: An individual or organization who receives USAID services or products, benefits from USAID programs or who is affected by USAID actions.

15a Intermediate Customer: A person or organization, internal or external to USAID, who uses USAID services, products, or resources to serve indirectly or directly the needs of the ultimate customers.

15b Ultimate Customer: Host country people who are end users or beneficiaries of USAID assistance and whose participation is essential to achieving sustainable development results.

16. Customer Representative: Any individual or organization that represents the interests of those individuals, communities, groups or organizations targeted for USAID assistance.

17. Customer Service Plan: A document which presents the operating unit's vision for including customers and partners to achieve its objectives. This document also articulates the actions necessary to engage participation of its customers and partners in planning, implementation and evaluation of USAID programs and objectives.

18. Customer Surveys: Surveys (or other strategies) designed to elicit information about the needs, preferences, or reactions of customers regarding an existing or planned activity, result or strategic objective.

19. Development Experience: The cumulative knowledge derived from implementing and evaluating development assistance programs. Development experience is broader in scope than "lessons learned", and includes research findings, applications of technologies and development methods, program strategies and assistance mechanisms, etc.

20. Development Information: The body of literature and statistical data which documents and describes the methods, technologies, status and results of development practices and activities and measures levels of development on a variety of dimensions.

21. Evaluation: A relatively structured, analytic effort undertaken

selectively to answer specific management questions regarding USAID-funded assistance programs or activities. In contrast to performance monitoring, which provides ongoing structured information, evaluation is occasional. Evaluation focuses on why results are or are not being achieved, on unintended consequences, or on issues of interpretation, relevance, effectiveness, efficiency, impact, or sustainability. It addresses the validity of the causal hypotheses underlying strategic objectives and embedded in results frameworks. Evaluative activities may use different methodologies or take many different forms, e.g., ranging from highly participatory review workshops to highly focused assessments relying on technical experts.

22. **Global Programs or Activities:** Global programs or activities refer to USAID programs or activities which take place across various regions, (i.e. they are trans-regional in nature). These types of programs are most often managed by central operating bureaus such as BHR or the G Bureau.

23. **Goal:** See Operating Unit Goal or Agency Goal.

24. **Implementation Letters:** Formal correspondence, numbered sequentially, between USAID and public sector entities pursuant to a duly signed agreement.

25. **Indicator:** See Performance Indicator.

26. **Input:** The provision of technical assistance, commodities, capital or training in addressing development or humanitarian needs.

27. **Interim Performance Target:** A target value which applies to a time period less than the overall time period related to the respective performance indicator and performance target.

28. **Intermediate Result:** A key result which must occur in order to achieve a strategic objective.

29. **Joint Planning:** A process by which an operating unit actively engages and consults with other relevant and interested USAID offices in an open and transparent manner. This may occur through participation on teams or through other forms of consultation.

30. **Lesson Learned:** The conclusions extracted from reviewing a development program or activity by participants, managers, customers or evaluators with implications for effectively addressing similar issues/problems in another setting.

31. **Limited Scope Grant Agreement:** The Limited Scope Grant Agreement (LSGA) is similar to the Strategic Objective Agreement but is shorter in length. It is used for obligating funds for a small activity or intervention; e.g., participant training or PD&S. Model agreements, including the LSGA, can be found in the Series 300 directives.

32. Manageable Interest: See Responsibility
33. Management Contract: The management contract consists of the strategic plan (including a strategic objectives and supporting results frameworks) together with official record of the guidance emerging from the review of the plan. The management contract provides; a summary of agreements on a set of strategic and other objectives, confirmation of estimated resources over the strategy period, delegations of authority, and an overview of any special management concerns.
34. Memorandum or Letter of Understanding: A memorandum of understanding or letter of understanding (not used for obligating funds) sets forth the understandings of the parties regarding the objective, results to be achieved and the respective roles and responsibilities of each party in contributing toward the achievement of a given result or objective. It is particularly useful when USAID wishes to obligate through individual grants and contracts, without host government participation in those actions, but still wishes to make the host government a partner in writing to the program or activity and each party's obligations. It specifically provides for USAID implementation in the manner noted above.
35. New Management Systems: The set of management software developed to support Agency functions in the areas of accounting, budgeting, planning, achieving, performance monitoring and evaluation, assistance and acquisition, human resource management and property management.
36. Objective: See Agency Objectives.
37. Obligation: In the event of a strategic objective agreement with a host country government, that agreement is normally the obligating agreement (unless a non-obligating MOU is used) and all grants to and contracts with private entities thereunder are subobligating agreements. If there is no strategic objective agreement, whether or not a non-obligating MOU is used, all grants to and contracts with private entities become obligating agreements.
38. Operating Unit: USAID field mission or USAID/W office or higher level organizational unit which expends program funds to achieve a strategic objective, strategic support objective, or special objective, and which has a clearly defined set of responsibilities focussed on the development and execution of a strategic plan.
39. Operating Unit Goal: A higher level development result to which an operating unit contributes, but which lies beyond the unit's level of responsibility. An operating unit goal is a longer term development result that represents the reason for achieving one or more objectives in an operating unit strategic plan. An operating unit goal may be identical to an Agency goal, but is normally distinguished from it in several key ways. An Agency goal is a long-term general development objective, in a specific strategic sector, that USAID works toward, and represents the contribution of Agency programs working in that sector.

An operating unit goal is optional and represents a long-term result in a specific country or program to which an operating unit's programs contribute, and may cross sector boundaries.

40. Output: The product of a specific action, e.g., number of people trained, number of vaccinations administered.

41. Parameter: A given framework or condition within which decision making takes place (i.e. Agency Goals, earmarks, legislation, etc).

42. Participation: The active engagement of partners and customers in sharing ideas, committing time and resources, making decisions, and taking action to bring about a desired development objective.

43. Partner: An organization or customer representative with which/whom USAID works cooperatively to achieve mutually agreed upon objectives and intermediate results, and to secure customer participation. Partners include: private voluntary organizations, indigenous and other international non-government organizations, universities, other USG agencies, U.N. and other multilateral organizations, professional and business associations, private businesses (as for example under the U.S.-Asia Environmental Partnership), and host country governments at all levels.

44. Partner Representative: An individual that represents an organization with which USAID works cooperatively to achieve mutually agreed upon objectives.

45. Partnership: An association between USAID, its partners and customers based upon mutual respect, complementary strengths, and shared commitment to achieve mutually agreed upon objectives.

46. Performance Baseline: The value of a performance indicator at the beginning of a planning and/or performance period. A performance baseline is the point used for comparison when measuring progress toward a specific result or objective. Ideally, a performance baseline will be the value of a performance indicator just prior to the implementation of the activity or activities identified as supporting the objective which the indicator is meant to measure.

47. Performance Indicator: A particular characteristic or dimension used to measure intended changes defined by an organizational unit's results framework. Performance indicators are used to observe progress and to measure actual results compared to expected results. Performance indicators serve to answer "whether" a unit is progressing towards its objective, rather than why/why not such progress is being made. Performance indicators are usually expressed in quantifiable terms, and should be objective and measurable (numeric values, percentages, scores and indices). Quantitative indicators are preferred in most cases, although in certain circumstances qualitative indicators are appropriate.

48. Performance Information: The body of information and statistical data that directly relates to performance towards overall USAID goals and objectives, as well as operating unit strategic objectives, strategic support objectives and special objectives. Performance information is a product of formal performance monitoring systems, evaluative activities, customer assessments and surveys, Agency research and informal feedback from partners and customers.

49. Performance Monitoring: A process of collecting and analyzing data to measure the performance of a program, process, or activity against expected results. A defined set of indicators is constructed to regularly track the key aspects of performance. Performance reflects effectiveness in converting inputs to outputs, outcomes and impacts (i.e., results).

50. Performance Monitoring Plan: A detailed plan for managing the collection of data in order to monitor performance. It identifies the indicators to be tracked; specifies the source, method of collection, and schedule of collection for each piece of datum required; and assigns responsibility for collection to a specific office, team, or individual. At the Agency level, it is the plan for gathering data on Agency goals and objectives. At the Operating Unit level, the performance monitoring plan contains information for gathering data on the strategic objectives, intermediate results and critical assumptions included in an operating unit's results frameworks.

51. Performance Monitoring System: An organized approach or process for systematically monitoring the performance of a program, process or activity towards its objectives over time. Performance monitoring systems at USAID consist of, inter alia: performance indicators, performance baselines and performance targets for all strategic objectives, strategic support objectives, special objectives and intermediate results presented in a results framework; means for tracking critical assumptions; performance monitoring plans to assist in managing the data collection process, and; the regular collection of actual results data

52. Performance Target: The specific and intended result to be achieved within an explicit timeframe and against which actual results are compared and assessed. A performance target is to be defined for each performance indicator. In addition to final targets, interim targets also may be defined.

53. Portfolio: The sum of USAID-funded programs being managed by a single operating unit.

54. Rapid, Low-cost Evaluations: Analytic or problem-solving efforts which emphasize the gathering of empirical data in ways that are low-cost, timely, and practical for management decision making. Methodological approaches include mini-surveys, rapid appraisals, focus groups, key informant interviews, observation, and purposive sampling, among others.

55. Responsibility: In the context of setting strategic objectives, responsibility refers to a guiding concept which assists an operating unit in determining the highest level result that it believes it can materially affect (using its resources in concert with its development partners) and that it is willing to use as the standard for the judgement of progress. This has also been referred to as "manageable interest."

56. Result: A change in the condition of a customer or a change in the host country condition which has a relationship to the customer. A result is brought about by the intervention of USAID in concert with its development partners. Results are linked by causal relationships, i.e. a result is achieved because related, interdependent result(s) were achieved. Strategic objectives are the highest level result for which an operating unit is held accountable; intermediate results are those results which contribute to the achievement of a strategic objective.

57. Results Framework: The results framework represents the development hypothesis including those results necessary to achieve a strategic objective and their causal relationships and underlying assumptions. The framework also establishes an organizing basis for measuring, analyzing, and reporting results of the operating unit. It typically is presented both in narrative form and as a graphical representation.

58. Results Package: A results package (RP) consists of people, funding, authorities, activities and associated documentation required to achieve a specified result(s) within an established time frame. An RP is managed by a strategic objective team (or a results package team if established) which coordinates the development, negotiation, management, monitoring and evaluation of activities designed consistent with: (1) the principles for developing and managing activities; and (2) achievement of one or more results identified in the approved results framework. The purpose of a results package is to deliver a given result or set of results contributing to the achievement of the strategic objective.

The strategic objective team will define one or more RPs to support specific results from the results framework. The SO team may elect to manage the package or packages itself, or may create one or more subteams to manage RPs. In addition, strategic objective teams create, modify and terminate results packages as required to meet changing circumstances pursuant to the achievement of the strategic objective. Thus, typically a results package will be of shorter duration than its associated strategic objective.

59. Results Package Data Base: A results package data base consists of the data and information related to the actions, decisions, events, and performance of activities under a results package.

60. Results Review and Resource Request (R4): The document which is reviewed internally and submitted to USAID/W by the operating unit on an



annual basis. The R4 contains two components: the results review and the resource request. Judgement of progress will be based on a combination of data and analysis and will be used to inform budget decision making.

61. Review Workshops: Workshops which involve key participants in an SO/RP or even a particular element of an RP in collectively evaluating performance during the previous implementation period and planning for the forthcoming period. Participants are normally representatives of partners, customers, counterparts, other donors, stakeholders, and USAID. Successful workshops are often facilitated to assure that all perspectives are heard and that key findings and conclusions and consensus on modifications and plans is documented and distributed.

62. Special Objective: The result of an activity or activities which do not qualify as a strategic objective, but support other US government assistance objectives. A special objective is expected to be small in scope relative to the portfolio as a whole.

63. Stakeholders: Individuals and/or groups who have an interest in and influence USAID activities, programs and objectives.

64. Strategic Objective: The most ambitious result (intended measurable change) that a USAID operational unit, along with its partners, can materially affect and for which it is willing to be held responsible. The strategic objective forms the standard by which the operational unit is willing to be judged in terms of its performance. The time-frame of a strategic objective is typically 5-8 years for sustainable development programs, but may be shorter for programs operating under short term transitional circumstances or under conditions of uncertainty.

65. Strategic Objective Agreement: A formal agreement that obligates funds between USAID and the host government or other parties, setting forth a mutually agreed upon understanding of the time frame, results expected to be achieved, means of measuring those results, resources, responsibilities, and contributions of participating entities for achieving a clearly defined strategic objective. Such an agreement between USAID and the host government may allow for third parties (e.g., NGOs) to enter into sub-agreements with either USAID or the host government or both to carry out some or all of the activities required to achieve the objective. (Details in Series 300.)

66. Strategic Plan: The framework which an operating unit uses to articulate the organization's priorities, to manage for results, and to tie the organization's results to the customer/beneficiary. The strategic plan is a comprehensive plan which includes the delimitation of strategic objectives and a description of how it plans to deploy resources to accomplish them. A strategic plan is prepared for each portfolio whether it is managed at a country level, regionally, or centrally.

67. Strategic Support Objective: Strategic support objectives are intended to capture and measure a regional or global development objective which is dependent on the results of other USAID operating units to achieve the objective but to which a global or regional program makes an important contribution. Therefore, the key differentiation from a strategic objective, as defined above, is that there is a recognition that the achievement of the objective is accomplished and measured, in part, through the activities and results at the field mission level.

68. Subgoal: A higher level objective which is beyond of the operating unit's responsibility but which provides a link between the strategic objective and the operating unit goal. Inclusion in operating unit plans is optional.

69. Strategic Objective Team: In general, a team is a group of people committed to a common performance goal for which they hold themselves individually and collectively accountable. Teams can include USAID employees exclusively or USAID and partner and customer representatives. An SO team is a group of people who are committed to achieving a specific strategic objective and are willing to be held accountable for the results necessary to achieve that objective. The SO team can establish subsidiary teams for a subset of results or to manage a results package.

69a. Core Team: U.S. government employees and others who may be authorized to carry out inherently U.S. governmental functions such as procurement actions or obligations. For example, only members of the core team would manage procurement sensitive materials or negotiate formal agreements.

69b. Expanded Team: U.S. government employees and partner and customer representatives committed to achieving the strategic objective.

69c. Virtual Team: Members of a team who are not collocated and therefore participate primarily through telecommunication systems.

70. Target: See Performance Target.

71. U.S. National Interest: A political/strategic interest of the United States that guides the identification of recipients of foreign assistance and the fundamental characteristics of development assistance.

72. Value Engineering: A management technique using a systematized approach to seek out the best functional balance between the cost, reliability, and performance of an activity or process, with a particular focus on the identification and elimination of unnecessary costs. VE/VA can be used both in the design stage and as an evaluation tool.

### 201.5.1 Agency Strategic Plan

The Agency will establish an Agency strategic plan for its programs which shall:

- Define the broad strategic framework within which operating unit strategic plans will be developed.
- Articulate what the Agency expects to achieve in facilitating sustainable development world-wide and by incorporating the needs of the Agency's customers.
- Define USAID goals and priority objectives which contribute to the Agency mission of sustainable development.
- Establish a basis for allocating resources against relevant factors (priority sectors, geopolitical considerations, country sustainable development needs, and desired Agency-wide results).
- Serve as the basis for presenting the Agency's programs and budget requests to Congress and the public.

The strategic plan shall be developed in accordance with the requirements established in the Government Performance and Results Act (GPRA) and shall be consistent with the findings of the Agency Customer Service Plan.

### E201.5.1 The Agency Strategic Plan

The Agency strategic plan shall be developed by PPC, in consultation with M, G, BHR, and regional bureaus. In developing the plan, PPC shall lead the Agency in a broadly consultative process involving Congress, State Department, and other interested stakeholders, partners, and customers. (See section 201.6.1; Supplementary References: Strategies for Sustainable Development and Implementation Guidelines.)

The Agency strategic plan will be amended as necessary based on significant changes in U.S. national interests, geopolitical considerations, country and customer needs, progress or lack of progress in achieving Agency goals and objectives, and/or new technical knowledge in a sector.

PPC and M shall use the Agency strategic plan as a basis for analyzing and presenting information on programs and performance for annual internal strategy and performance reviews. The plan will also provide the basis for analyzing and presenting information on program plans, budgets, and performance to meet external reporting requirements, including Congress (for GPRA reporting, OMB performance reviews, Congressional Presentations and testimony).

#### 201.5.2 The Agency Strategic Framework

The Agency will establish an Agency strategic framework which graphically depicts the Agency's strategic plan. The framework will;

- Articulate the essence of the Agency strategic plan in graphic form.
- Provide the framework within which operating unit strategic plans will be developed by laying out Agency goals and objectives.
- Serve as a basis for tracking progress toward Agency goals and objectives.
- Provide an organizing framework for periodic internal Agency strategy and performance reviews, including programming and budget allocation decisions.
- Serve as a basis for presenting information on the Agency's programs, budget requests, and performance to external audiences, including Congress.

The Agency strategic framework shall be developed in accordance with the requirements of the Government Performance and Results Act (GPRA) and shall be consistent with the findings of the Agency Customer Service Plan.

#### E201.5.2 The Agency Strategic Framework

The Agency strategic framework is a tool for communicating USAID's development strategy and shall directly reflect the Agency strategic plan. The Agency strategic framework establishes an organizing basis for strategy and performance reviews, budgeting, and external reporting requirements. Operating unit strategic plans and regional planning frameworks must contribute to the Agency-wide goals and objectives represented in the Agency strategic framework.

The Agency strategic framework will lay out the linkage between program approaches, Agency objectives, Agency goals and the Agency mission. PPC is responsible for developing the Agency strategic framework and for periodically revising it to reflect any adjustments to the Agency strategic plan, in consultation with central and regional bureaus.

#### 201.5.3 Regional Planning Framework.

Special circumstances or unique foreign policy concerns may warrant the development of a bureau level regional planning framework. Such a framework must be developed in consultation with PPC, and shall identify assistance objectives or define unique program priorities within a specific region. Such objectives and priorities shall be consistent with the Agency's stated overall mission and goals, and shall be developed in accordance with GPRA requirements and any other specific

legislative requirements.

#### 201.5.4 Purpose of Operating Unit Strategic Plans

Operating unit strategic plans constitute the essential building block of the Agency's programming system. The approved strategic plan will represent an Agency-wide commitment to an agreed strategic direction and set of results at the strategic objective level, to be accomplished by that operating unit over the planning period. A strategic plan shall:

- Develop a limited number of strategic objectives and special objectives which encompass all development activities managed by that unit (see 201.5.9, Selection of Programmatic Focus).
- Define how those objectives will contribute to the accomplishment of Agency goals and objectives as defined in the Agency strategic plan
- Articulate the development hypothesis which justifies the feasibility of achieving the objective
- Estimate the resources needed to accomplish those objectives
- Establish the framework for subsequent monitoring of the performance of the programs for which it is responsible in order to accurately demonstrate impact

#### 201.5.5 Applicability of Strategic Planning Requirements for Operating Units

Every operating unit which manages program resources shall have an approved strategic plan in place to govern the use of the program resources under its authority as well as the related staff and operating expenses required to manage those funds, except as provided under exceptions and special cases (see 201.5.5d, Exceptions and Special Cases).

#### 201.5.5a Planning for Country Programs Managed in the Field

Planning for country programs will encompass all USAID program resources proposed for allocation to the country, including those proposed in support of centrally-managed global programs, regional programs, food aid, housing guarantees, and research activities.

Activities which take place within a country to support global objectives and do not contribute to the bilateral strategy must be listed in the field mission's strategic plan together with any management responsibilities which have been assigned to the field mission (see 201.5.10d, Listing of G Bureau Activities Supported by Bilateral Programs). For example, global research activities often fall into this category.

*who monitors? (etc.)*

#### 201.5.5b Planning for Regional and Global Programs.

Planning for regional and global programs shall capture those program funded activities which are regional or global in nature (i.e. objectives which cannot be achieved or measured on the basis of a single country).

#### 201.5.5c Planning for Centrally Managed Bilateral Programs

In some cases, USAID/W offices have direct management responsibility for bilateral programs (e.g. programs which are directed at achieving country level impact) due to management efficiencies. In such cases, the USAID/W office shall consult with PPC to determine the appropriate strategic planning requirements.

#### 201.5.5d Exceptions and Special Cases

Exceptions and special cases related to the strategic plan shall include:

- 1) Start-up Programs. Start-up or new programs shall manage for results. However, such programs will be exempted from any or all of the strategic planning requirements stated herein for the first year of operation.
- 2) Close-Out Programs. Programs which are planned for close-out shall manage for results. However, the operating bureau will consult with M and PPC to determine appropriate strategic planning and/or impact reporting requirements.
- 3) Emergency Programs in the Field. The strategic planning document for an emergency program in the field may be brief, will address a planning period which is appropriate to the emergency program, and may follow an abbreviated review process as agreed to by the AA in consultation with PPC, BHR and M. The strategic plan for an emergency program shall address both natural disasters as well as man made disasters as is appropriate. The strategy will identify; strategic objectives, estimated resource requirements, time period covered, other key management, strategic, or political concerns.
- 4) Small Country Programs. Small country programs will be allowed to prepare abbreviated strategic plans which focus primarily on the results to be achieved in the sector(s) in which they are working or planning to work (see E201.5.10, Contents of Strategic Plans, Part II, c). The regional Bureau, in consultation with PPC and M, will provide such a country program with planning parameters and outline strategy requirements as appropriate. Criteria for small country programs will be defined by PPC in consultation with the regional bureaus. (See 201.5.11 and 201.5.12 for Review and Approval Policies.)
- 5) Special Foreign Policy Programs. Special foreign policy programs

shall manage for results. However, programs which are instituted in response to special foreign policy issues and concerns may be exempted from specific strategic planning policies and essential procedures, or may follow different procedures as required by legislation or dictated by the type of funds being used. For example, programs conducted by the Bureau for Europe and the New Independent States (ENI) and those conducted using Economic Support Funds (ESF) may necessitate some different procedures as required by specific legislation or regulations. In these and similar instances, while the intent and principles of the Agency directive on planning will be followed, specific policies and/or essential procedures may be revised or developed to incorporate the specific legislative and operating requirements of the programs. Exemptions from Agency planning policies and procedures, and/or the development of alternative policies and procedures, for these programs must be approved by the cognizant bureau AA in consultation with the AA/PPC and the AA/M, and this approval must be documented in a formal action memorandum. Programs which involve the programming of funds prior to the preparation of a strategic plan require a review of the respective program and a formal exemption, as noted above, from the requirements of the planning directive if a strategic plan is not prepared within a year of the program's initiation.

#### 201.5.6 Planning Parameters

##### 201.5.6a Setting Planning Parameters

PPC and M shall provide each operating Bureau with planning parameters in a timely manner. Each Bureau will be responsible for providing its operating units with updated Agency guidance on planning parameters prior to the development of a strategic plan. These parameters shall include indicative resource levels, guidance on earmarks, and updated guidance on the Agency's goals and objectives over the proposed planning period. As appropriate, the bureau may also provide additional guidance to the operating unit on the strategic direction of the program, key management or performance issues, and any special foreign policy interests in the country.

##### 201.5.6b Management Letter

Each Bureau will be responsible for providing new mission directors or representatives with a management letter which provides bureau guidance on the long term strategic direction of the program, key management or strategic issues, resource parameters, and any special foreign policy interests in the country.

#### 201.5.7 Participation

##### 201.5.7a Strategic Planning

All strategic plans shall be developed, updated, and monitored in active

consultation with relevant development customers, partners, and stakeholders. This consultation is subject to Agency guidance on conflict of interest. (See Supplemental Reference 201.6.4)

#### 201.5.7b The Customer Service Plan

Each operational unit (including the G bureau, BHR, and regional bureaus) shall develop a customer service plan which will inform its planning and operations. The customer service plan shall;

- Present the operating unit's vision for including customers and partners to achieve development objectives.
- Explain how customer feedback will be incorporated to determine customer needs and perceptions of the services provided and how this feedback will be regularly incorporated into the mission's processes.
- Identify the unit's key customer service principles and the standards to which the operating unit will commit.

The customer service plan will act as a management tool for the individual operating unit and must be developed in the context of existing Agency parameters. The customer service plan does not require USAID/W approval.

#### 201.5.8 Joint Planning

The strategic plan is required to reflect joint planning principles, therefore, operating units are responsible for consulting with relevant and affected USAID/W offices and field missions throughout the strategic planning process as appropriate.

#### 201.5.9 Selection of Programmatic Focus

Each strategic plan shall identify a limited number of strategic objectives and, where appropriate, special objectives which encompass all program resources to be managed by the operating unit.

The selection of programmatic focus shall be informed by the following factors:

- The contribution toward the Agency's mission of sustainable development and associated Agency goals and objectives as described in the Agency strategic plan.
- The needs and interests of the host country, region, or sector as identified by the customers of USAID activities.
- The possibility of achieving sustained and significant impact with the resources likely to be available by USAID, the host country, and other development partners, and the ability to demonstrate



that impact over the planning period.

- Analysis of the problems to be addressed and potential approaches.
- The findings of Agency assessments of performance and impact, in order to continually improve the Agency's ability to deliver effective assistance.

#### 201.5.10 Components of the Strategic Plan

##### 201.5.10a Strategic Objectives

A strategic objective is defined as the most ambitious result (intended measurable change) in a particular program area that a USAID operational unit, along with its partners, can materially affect and for which it is willing to be held responsible. The strategic objective forms the standard by which the operational unit is willing to be judged in terms of its performance. The time-frame for the achievement of the strategic objective is typically 5-8 years for sustainable development programs, but may be shorter for programs which are operating under short term transitional circumstances or under conditions of uncertainty. Each strategic objective shall be linked to one Agency goal. It may be linked to other Agency goals on a secondary basis, if necessary. The strategic objective must also be linked to one or more Agency objectives within that goal.

Strategic objectives may be bilateral, regional, or global in nature and shall set the direction for the selection and design of the assistance activities to be carried out in the portfolio over the time-frame of the plan. A strategic objective must be expressed in terms of a result or impact, be defined in a manner which permits objective measurement, be clear and precise, and generally include only one objective so that progress can be clearly measured.

However, strategic objectives which represent more than one dimension in addressing a development problem will be acceptable if the component results of the strategic objective are a) implemented in an integrated manner (e.g. the two components are part of the same activity which takes place in the same locations) b) achievable by a common set of intermediate results and causal linkages represented in the results framework, and c) the component results are inseparable and mutually reinforcing (achievement of each facilitates the achievement of the other). An example might be "Increased Use of Family Planning and Maternal and Child Health Services (MCH)" which combines family planning and MCH.

An operating unit shall focus resources on the achievement of a limited number of strategic objectives that have significant potential for sustainable development impact. An operating unit shall consider the factors described under Selection of Programmatic Focus (see 201.5.9, Selection of Programmatic Focus) when setting strategic objectives within their respective program area. There is no fixed limit on the

total number of strategic objectives that the operating unit may identify for its portfolio. However, the number will depend most importantly on the likelihood of effectively achieving significant impact as based on expected program funding and staff resource levels over the planning period. Other factors will include the absorptive capacity of program sectors and the need to meet current and on-going program commitments.

#### 201.5.10b Strategic Support Objectives

Strategic support objectives (SSOs) are intended to capture and measure a regional or global development objective which is dependent on the results of other USAID operating units to achieve the objective but to which a global or regional program makes an important contribution. Therefore, the key differentiation from a strategic objective is that there is a recognition that the achievement of the objective is accomplished and measured, in part, through the activities and results at the field mission level. For example, a majority of strategic support objectives for the G bureau will be driven, in large part, by field demand for services.

The strategy must clearly distinguish the operating unit's unique role in meeting the SSO from that of the field missions. In most cases, this will be demonstrated as identifiable intermediate results in the results framework for which the central operating unit is responsible.

A central operating unit, such as the G bureau, would contribute significantly to the achievement of the strategic support objective by providing support services (i.e. providing central contracting mechanisms to support field missions). In addition, technical leadership and research activities (e.g. conducting research which provides new and more effective approaches that are used by the field missions) will be considered means to accomplishing the objective. The central operating unit will outline the results of the activities under its direct control and clearly show how these activities, in concert with mission activities, will achieve the strategic support objective. All requirements for strategic objectives are applicable to strategic support objectives.

#### 201.5.10c Special Objectives

Under exceptional circumstances, a mission or office may include activities in its portfolio which could not qualify as a strategic objective, but which produce results to support other U.S. government assistance objectives. Special objectives may be justified if one or more of the following criteria are met:

- The activity represents a response to a legislated earmark or special interest which does not meet the criteria for a strategic objective
- It is a continuation of an activity initiated prior to the

strategic plan which needs additional time for orderly phase-out

- It is an exploratory/experimental activity in a new program area which merits further exploration or which responds to new developments in the country, region, or sector
- It is a research activity which contributes to the achievement of an Agency objective

These activities are expected to be small in scope relative to the portfolio as a whole. The operating unit, as a part of the strategic plan, will outline: the time-frame for the special objective, expected results to be achieved, a proposal for evaluating results, and an estimated budget. Results of experimental or exploratory activities may have different criteria for success than other activities where USAID has more experience.

#### 201.5.10d Listing of G Bureau Activities Supported by Bilateral Programs

Any activities which take place at the country level and are solely designed to support global objectives should be listed in the country's strategic plan together with any management responsibilities the operating unit has for support of those activities. For example, if global climate change or global research activities are carried out in a country and do not support the mission's bilateral strategy, these activities would be included in such a listing.

#### 201.5.10e Results Framework

In the context of defining a strategic objective or strategic support objective, it is necessary to identify the intermediate results which are necessary to accomplish that objective. This analysis will produce a Results Framework for each objective. The results framework must provide enough information so that it adequately illustrates the development hypothesis (or cause and effect linkages) represented in the strategy and therefore assists in communicating the basic premises of the strategy. The results framework shall include any key results that are produced by other development partners (e.g. partners such as non governmental organizations, the host country government, other donors, and customers).

The Results Framework must also be useful as a management tool and therefore focuses on intermediate results which must be monitored to indicate progress. The framework is intended to be a management tool first and foremost for operating unit managers so that it is able to gauge progress toward achievement of intermediate results and their contribution to the achievement of the strategic objective.

#### 201.5.10f Identifying Illustrative Approaches and Estimated Resource Requirements

The operating unit will identify illustrative approaches that would

likely be used in achieving the results outlined in the results framework. While this will not be the focus of the strategy review, illustrative approaches will be required to indicate the feasibility of achieving selected strategic objectives and will serve as the basis for determining resource needs and establishing performance targets (or magnitude of impact) for each SO. An operating unit will have the flexibility to adjust approaches without further USAID/W review to achieve the strategic objective, except as otherwise indicated in a management contract.

#### 201.5.10g Environmental Requirements

Section 118/119 of the Foreign Assistance Act requires that all country plans (or strategies) include an analysis of a) the actions necessary in that country to conserve biological diversity and tropical forests and b) the extent to which current or proposed U.S.A.I.D. actions meet those needs. In many cases, the environmental analysis may be broader than the specific requirement for 118/119. For example, in the course of examining whether a strategic objective in the environment should be undertaken or how environmental issues relate to other objectives and activities, it may be appropriate to conduct a broader analysis to examine other environmental issues, such as the environmental underpinnings of a economic growth or preventing environmental threats to public health. Operating units should consult with Bureau environmental officers to ensure that legislative requirements are met and to ensure that salient issues are addressed as appropriate. (See section 201.5.8; Joint Planning and 201.6 Supplementary References; Guidelines for Strategic Plans; Technical Annex B Environment, dated February 1995)

#### E201.5.10 Contents of Strategic Plans

Operating unit strategic plans shall include the information necessary to secure endorsement by Agency management on the proposed strategic objectives and targeted magnitude of impact; associated resource requirements; and, requested delegations of authority. Operating units must ensure that any special legislative requirements, as applied to strategic planning, are included. Operating units are not required to follow the outline below in its exact form, however, strategies shall include the following three sections and shall provide a clear and concise discussion of the below referenced issues in a form which is appropriate to their program.

PART I: Summary Analysis of Assistance Environment and Rationale for Focusing Assistance in Particular Areas.

A. U.S. Foreign Policy: Relationship of the program to US foreign policy interests.

B. Overview: Country strategies will provide an overview of the country condition to include a summary of overall macro-economic and socio-political trends, a discussion of development constraints and

opportunities, how the strategy relates to host country or regional priorities, and the role of other donors. Regional and Global strategies will provide a discussion of relevant transnational trends, how the strategy relates to regional or global priorities and the role of other donors.

- C. Customers: A brief discussion of how customers influenced the strategic plan both directly and indirectly using the customer service plan as a basis.
- D. Transitional Issues: Transition or phase out issues; for those country programs which are transitional in nature, the strategy will provide a discussion of key transitional issues which are appropriate to the country (whether it is a country nearing graduation or transitioning from relief to development). Regional and global programs may discuss transitional or phase out issues where relevant.

PART II: Proposed Strategic Plan (Country, Regional, or Global):

- A. A discussion of the linkage of the strategy to Agency goals and objectives.
- B. A discussion of country goals and subgoals (where applicable).
- C. Each Strategic Objective or Strategic Support Objective must include the following:
  - 1. A statement of strategic objective.
  - 2. A problem analysis; to include an analysis of the specific problem to be addressed and an identification of affected customers.
  - 3. A discussion of critical assumptions and causal relationships which are represented in the Results Framework.
  - 4. The commitment and capacity of other development partners in achieving the objective. This may include a trend analysis which demonstrates why the current climate and support by other partners (including the host country government) or customers indicates that the objective can be achieved.
  - 5. Illustrative approaches.
  - 6. How sustainability will be achieved.
  - 7. How the achievement of the strategic objective will be judged including;
    - a. Proposed performance indicators and targets for achievement of each strategic objective as well as monitoring interim progress (see Series 200, Chapter 203.)

- b. Performance targets which convey an understanding of the anticipated magnitude of change vis a vis USAID's investment and/or that of USAID's partners. These performance targets will represent anticipated results over the entire strategy period to the extent possible (i.e. where past experience and technical knowledge indicate that targets which are projected to the end date of the strategy are useful and meaningful). There are some cases, most often in new areas, where select targets may be shorter than the planning period, and therefore will need to be updated via the R4 process. Also, interim performance targets may be used as part of performance monitoring during the life of the objective.
- D. If the operating unit has identified a special objective, the discussion must include the following for each special objective;
- 1. The time-frame for the Objective
  - 2. Relationship to Agency goals and objectives and/or the country strategy
  - 3. Expected Results
  - 4. A proposal for monitoring achievement of any special objectives as is appropriate to the nature of the objective.
- E. For Field Mission operating units, the strategy shall identify any activities which support global objectives and are outside of the field mission's bilateral strategy. The field mission should also identify any management responsibilities for which it is held responsible.

### PART III: Resource Requirements

- A. Estimated resource requirements over the planning period to achieve the strategic objectives; including program dollars as well as supportive OE and personnel. Program funding shall include the amount for field support provided through G Bureau mechanisms. The operating unit shall also identify any USAID/W technical or other support which are necessary to accomplish the strategic objectives.
- B. Discussion of programming options. This should be brief and concise and may take the form of a simple matrix which serves to articulate and distill the priorities of the operating unit and is based on high, medium, and low funding levels. Such a matrix should take into account Congressional and Administration mandates and may indicate country conditions that would warrant increases or decreases in assistance

Reviews shall be a collaborative process where Agency wide participation is elicited. This will provide a forum for the Agency to come to agreement around the strategic plan and to make final decisions regarding the program. All strategic plans will be submitted to USAID/W for formal review, except where alternative review procedures are agreed upon for exceptional programs (see 201.5.5d, Exceptions and Special Cases). Strategic plans for bilateral, regional, and global programs must be reviewed by PPC, M, BHR (as appropriate), G, GC, and regional bureaus. The review process for global, BHR or regional strategic plans must include a mechanism to allow for input by affected field missions.

The strategic plan will guide resource allocation decisions and performance monitoring over the time-frame of the plan. As a result of the review process, the strategic plan is expected to represent an Agency plan for that operating unit over the planning period. (See 201.5.12b, Approval of the Management Contract).

Procedures for reviews shall be developed and organized by the responsible regional or central bureau.

#### 201.5.11a Roles in the Review Process

Each USAID/W bureau will review strategic plans in light of their respective roles with a special emphasis on the following. (Also see 201.3, Responsibilities, for further information);

- 1) Regional bureaus seek consistency with the Agency strategic plan, regional objectives, and geopolitical considerations unique to the region
- 2) PPC ensures consistency with Agency-wide priorities and the adequacy of plans for measuring performance and documenting impact
- 3) M ensures that resources can be made available
- 4) G assures the technical soundness of and technical support for the plan
- 5) BHR assures that humanitarian assistance, food aid, and transitional issues (as it relates to the transition from relief to development) are incorporated and related resources are used as appropriate
- 6) GC ensures the strategic plan meets all legal requirements

#### 201.5.11b Focus of the Review Process

Reviewers will focus on the following aspects of the strategy;

- 1) The relevance of the strategy to significant development problems
- 2) Appropriateness of the strategy vis a vis country performance

- 3) The plausibility of the causal linkages presented in the strategy
- 4) The ability of the operational unit to monitor and demonstrate performance and to achieve results
- 5) The consistency of the proposed strategy with past progress and lessons learned
- 6) Consistency with Agency strategies and policies as expressed in the Agency strategic plan
- 7) Appropriateness of the strategy in light of expected resource availabilities
- 8) Appropriateness of the strategy vis a vis any legal requirements

#### 201.5.12 The Management Contract

##### 201.5.12a Definition of the Management Contract

The approval of all operating unit strategic plans shall result in the establishment of a management contract between that unit and Agency management. That contract will consist of the strategic plan (including final results frameworks) together with an official record of the guidance emerging from the review of the plan. This guidance shall:

- 1) Summarize the agreement on a set of strategic and other objectives which will be pursued by that operating unit over the agreed planning period
- 2) Provide confirmation of estimated resources regarding resource levels to be made available over the strategy period pending the availability of U.S. funds
- 3) Provide appropriate delegations of authority which allow the mission to proceed with implementation; these authorities remain in effect unless and until amended
- 4) Outline any special conditions precedent, covenants, and/or management concerns which require further action by either party (e.g. a field mission might note that a certain change in funding would necessitate a change in the strategy, or USAID/W might specify covenants to a related strategic )

##### 201.5.12b Approval of the Management Contract

A management contract shall be approved by the submitting operational unit (as represented by the director or AID representative of that operating unit) as well as the AA of the operating bureau, with clearance from PPC, M, GC, BHR (as appropriate), G, and the regional bureaus (for G and BHR strategic plans) in light of each operational



unit's respective responsibilities. (See 201.3, Responsibilities, and 201.5.11, Review Process for Strategic Planning.) The management contract will serve as a delegation of authority to the operating unit to proceed with program implementation under those strategic objectives where agreement has been reached.

#### 201.5.12c Annual Reconfirmation of the Management Contract

Every management contract will be reconfirmed annually as part of the bureau's Results Review and Resource Request (R4) process, unless otherwise determined by the AA for the operating bureau in consultation with PPC and M.

#### 201.5.13 Development of the Performance Monitoring Plan

The operating unit will finalize the performance monitoring plan, including performance targets and indicators, after strategic objectives have been approved. The performance monitoring plan must be completed shortly after the approval of the strategy and prior to the next Results Review and Resource Request (R4) (See Series 200, Chapter 203.5.5, Performance Monitoring Plans.)

#### 201.5.14 Changes in Strategic Plans

The strategic plan (at the strategic objective level) represents the Agency's strategy for a particular country or program over a specified time-frame. Therefore, strategic objectives are expected to remain relatively stable over the planning period. Changes to strategic objectives should be based on compelling evidence that the direction of the program must be modified. This would include;

- Dramatic changes in country or other conditions external to the program
- Unsatisfactory progress toward approved strategic objectives or other evidence that those objectives will not be met
- Achievement of a strategic objective on an accelerated basis
- A major shift in Agency policy or resource availabilities

#### E201.5.14 Changes in Strategic Plans

Changes in strategic objectives must be approved by the AA with concurrence from PPC, M, GC, BHR (as appropriate), G and regional bureaus (for central operating bureau strategic plans).

The operating unit will consult with its operating bureau to determine whether the changes to the strategic plan require an update in the strategy as a whole or whether a document which focuses only on one particular SO is required. In the latter case, the content of the strategy can be modified to focus only on the relevant strategic

objective. (See E201.5.10, Contents of Strategic Plans, Part II C for required information.)

#### 201.5.15 Strategic Planning and Resource Allocation

Budget planning in USAID will be guided by the Agency strategic plan and the strategic plans approved for individual operating units. The Agency's budget planning documents will identify proposed resource levels for each operating unit by individual strategic objective. In making resource allocations among operating units and strategic objectives, the relative contribution of each to overall Agency goals and objectives, as defined in operating unit strategic plans and updated annually in the R4, shall be a principal factor. This contribution shall take into account both projected impact (significance of strategic objectives and magnitude of performance targets), as defined in operating unit strategic plans, and actual performance (progress to date toward meeting performance targets), as reported annually, in addition to resource needs and foreign policy considerations.

#### E201.5.15 Strategic Planning and Resource Allocation: Budget Submissions

##### E201.5.15a Bureau Level Submissions

Once Agency-wide planning levels are set for the budget request year, operating bureaus will assemble bureau-wide budget submissions (BBS) which recommend funding levels by strategic objective for each operating unit and which are subject to joint PPC and M review to arrive at an Agency-wide budget request.

A BBS shall be assembled by each operating bureau to conform to a bureau budget ceiling and programming targets established by PPC and M. In preparing its consolidated bureau budget, the budget planning levels for individual operating units may be adjusted by the operating bureau to respond to shifts in expected resource availabilities and/or relative Agency priorities as between sectors and/or countries and regions. These adjustments shall be made, to the extent possible, so as to ensure resource needs are met for those programs which are demonstrating progress toward stated performance targets.

##### E201.5.15b Formulation of Agency Budget Request

After review of the BBSs, PPC and M will assemble an Agency Budget Request for submission to OMB, drawing on the information presented in the BBSs and in accordance with OMB guidance. The Agency Budget Request will define the Agency's strategic objectives, by operating unit, and identify the funding requested for each. This request will be subsequently adjusted as may be required by OMB for subsequent submission as part of the President's budget. Adjustments will be coordinated by PPC and M, in consultation with the operating bureaus.

#### 201.5.16 The Results Review and Resource Request (R4)

The following is intended to provide an overview of the R4 and to demonstrate its role vis a vis the strategic planning process. For more specific guidance regarding results reporting, see 203.5.9, Reporting and Disseminating Performance Information.

An approved strategic plan will be the basis for each R4 document. The R4 will serve to:

- Allow the operating unit to assess and evaluate progress toward results
- Include progress toward results as a factor in decision making regarding the budget
- Update estimates of resource requirements for achieving those objectives for the current year, the budget year, and the budget request year.
- Serve as a mechanism for regular USAID/W review of progress toward the achievement of the strategic objective(s) of the operating unit
- Reconfirm the management contract based on progress
- Refine indicators and targets, as necessary (indicators and targets are expected to remain relatively stable over time, however, if changes are deemed necessary by the operating unit, the R4 can be used to indicate those changes)
- Advise relevant parties of key issues affecting the program
- Form a base of information in USAID/W for responding to external inquiries, country and regional results reporting, and Agency impact reporting

E201.5.16 The Results Review and Resource Request (R4)

E201.5.16a Content of the R4

Each operating unit will submit an R4 annually which will include the following information in a form which is appropriate:

Part I: Factors Affecting Program Performance

- A. Progress in the Overall Program (i.e. goals/subgoals, or other broad programmatic issues such as pipeline, if applicable)

Part II: Progress Toward Strategic Objectives (to be repeated for each strategic objective and special objective)

- A. Summary of data on progress toward achieving the strategic

objective, which includes data on intermediate results where appropriate; this may take the form of a table.

- B. Analysis of the data; this section should provide background and insight into the meaning of the data.
- C. Evidence that USAID activities are making a significant contribution to the achievement of the strategic objective
- D. Expected progress for the next year

Part III: Status of the "Management Contract"

- A. Proposals for change/refinements at the strategic objective level, if necessary.
- B. Special Concerns or Issues (e.g. discussions of how the customer influenced the operating unit's assessment of progress based on the customer service plan, updates in global activities in country, special field mission or Bureau issues or concerns, etc)
- C. Any issues related to implementation of requirements under 22 CFR 216. Operating units must also provide the operating bureau with a schedule for any activities which must be reviewed under 22 CFR 216 to facilitate advance planning.

Part IV: Resource Requirements

- A. Program Funding Request by Strategic Objective
- B. Operating Expenses (OE)
- C. Staffing
- D. Technical Support from USAID/W
- E. Program Development and Support (PD&S) Funding

E201.5.16b Submission of the R4

The R4 will be submitted annually, unless otherwise determined by the AA for the operating bureau, in consultation with PPC and M.

E201.5.16c Review of the R4

The R4 will be reviewed by the operating bureau which will renew or revise the management contract with the operating unit as appropriate on the basis of the results review. This may include adjustments in indicators and targets, or recommendations for formal bureau review of changes to the strategic objective. Minor changes or refinements in a strategic objective may be approved by the operating bureau in consultation with other relevant offices.

Bureaus will be allowed to separate the review of the R4 into two components; a results review report and resource requirement report, where necessary and appropriate, provided that the results report is used as a basis to inform decisions regarding the budget.

Based on the review of the R4, budget planning levels for an individual operating unit will be established by the operating bureau which reflect the estimated resource costs for the programs and performance targets approved for that unit.

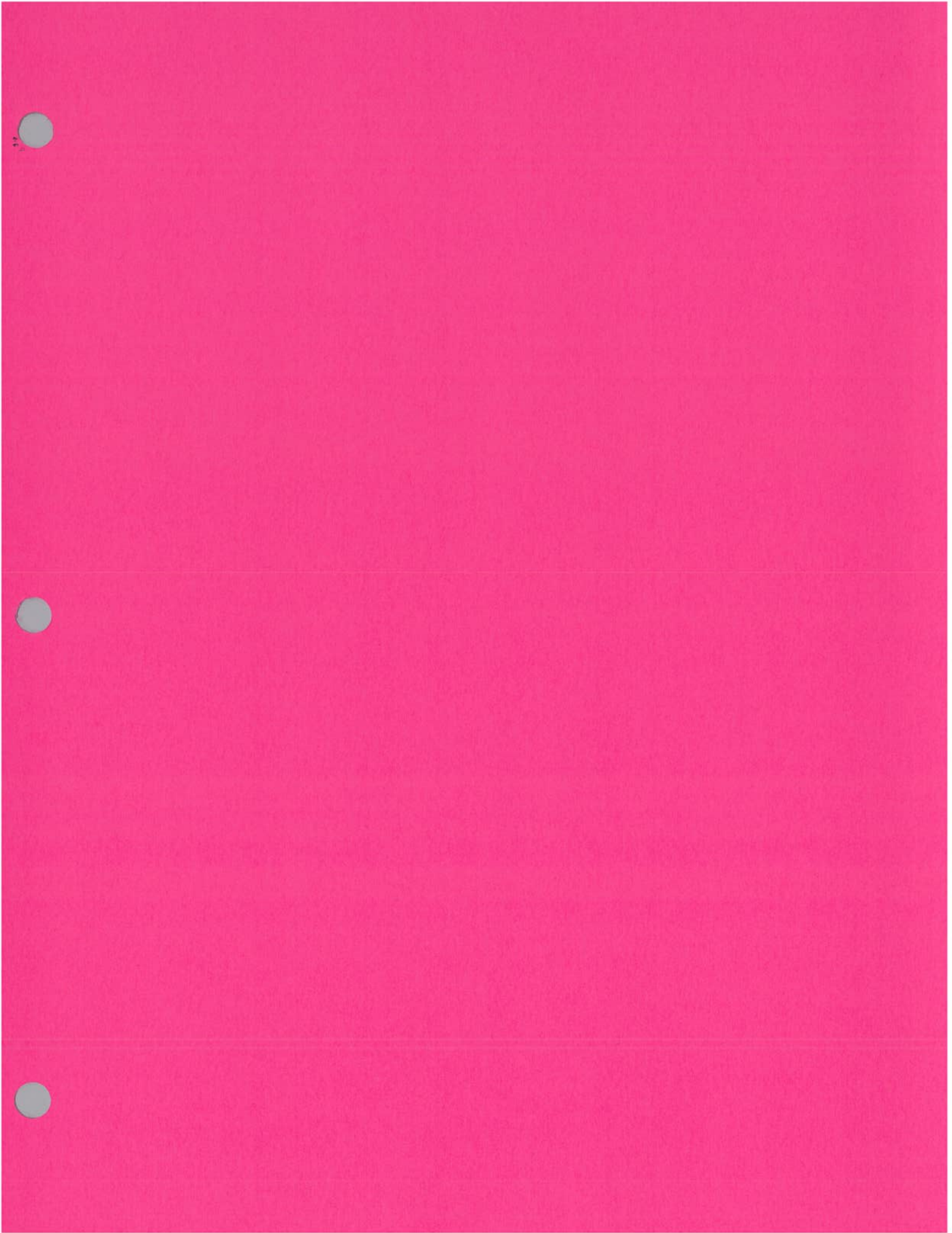
201.6 Supplementary References (all reserved)

201.6.1 Strategies for Sustainable Development

201.6.2 Implementation Guidelines

201.6.3 Agency Strategic Framework

201.6.4 Guidance on Consultation and Avoidance of Unfair Competitive Advantage



Major Functional Series 200 Program Assistance  
Chapter 202 Managing for Results: Achieving

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202.2 Objective

202.3 Responsibility

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3. Office of General Counsel
4. Regional Bureau
5. Global Bureau (G)
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- 202.5.8 Other Agreements
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- 202.5.9 Information Management
- E202.5.9
- E202.5.9a Operating Units' Information Management Responsibilities
- E202.5.9b USAID Managers Information Management Responsibilities

Appendix A to Section 202.5

- I. Country Eligibility Checklist Index:
  - A. Criteria Applicable to Development Assistance and Economic Support Funds
- II. Assistance Checklist Index:
  - A. Criteria Applicable to Development Assistance and Economic Support Funds
  - B. Criteria Applicable to Development Assistance Only
  - C. Criteria Applicable to Economic Support Funds Only

Appendix B to Section 202.5

Official Files

- 202.6 Supplementary References (202.6.1 - 2-2.6.6 are reserved.)
- 202.6.1 Team Development
- 202.6.2 Implementation Letters
- 202.6.3 Statutory Checklist Criteria
- 202.6.4 Analyses
  - 202.6.4a Financial Analysis
  - 202.6.4b Economic Analysis
  - 202.6.4c Social Soundness Analysis
  - 202.6.4d Administrative Analysis
  - 202.6.4e Environmental Analysis
  - 202.6.4f Technical Analysis
- 202.6.5 Developing and Monitoring Activities
- 202.6.6 Congressional Notification
- 202.6.7 Characteristics of Results Packages



## 202.1 Authority

1. The Foreign Assistance Act (FAA) of 1961, as amended
2. The Government Performance and Results Act of 1993, Public Law 102-62 (GPRA)
3. Chief Financial Officers Act of 1990, Public Law 101-576 (November 15, 1990)
4. Government Management Reform Act of 1994, Public Law 103-356 (October 13, 1994)
5. Agricultural Trade and Development and Assistance Act of 1954, as amended (P.L. 480)
6. SEED Act of 1989
7. Federal Manager's Financial Integrity Act of 1982

## 202.2 Objective

The objective of this chapter is to provide direction for the effective management of Agency development and humanitarian assistance programs and resources, with an emphasis on achieving results through team efforts and customer focus. More specifically, this chapter serves to:

- a) Ensure that the efforts of the Agency's operating units are directed toward achieving significant development impact in priority areas through a participatory process involving stakeholders, partners, and customers;
- b) Provide a structure which allows operating units to make program choices and effectively respond to evolving circumstances;
- c) Emphasize the accomplishment of results;
- d) Focus on identifying and meeting customer needs;
- e) Promote a teamwork approach, including U.S. Agency for International Development (USAID) staff, partners and customers;
- f) Provide a significant level of empowerment and accountability for those individuals and management units closest to the development and humanitarian problems being addressed; and
- g) Promote the regular collection and review of data and information related to performance resulting in the continuous improvement of the implementation of development assistance; the effectiveness of management decisions and processes; the means by which the Agency learns through its experience; and the ability of the Agency to meet accountability and reporting requirements.

### 202.3 Responsibility

1. Bureau for Policy and Program Coordination (PPC): PPC is responsible for:

- a) establishing Agency policy regarding strategic planning requirements;
- b) developing and articulating the Agency's strategic plan and framework;
- c) issuing annual planning guidance to include resource parameters and program priorities in a timely manner;
- d) providing guidance on any special legislation which affects strategic planning;
- e) reviewing and approving supplemental planning guidance issued by the operating bureaus;
- f) reviewing and concurring with operating unit strategic plans for conformance with Agency goals and program policies;
- g) conducting the Agency review of bureau budget submissions with the M Bureau;
- h) establishing and maintaining a monitoring system for Agency goals and objectives;
- i) coordinating the review of Agency performance, and reporting on that performance;
- j) providing technical leadership in developing Agency and operating unit performance monitoring and evaluation systems;
- k) evaluating the effectiveness of Agency program strategies and other strategies used by operating units to achieve objectives;
- l) conducting evaluations on issues related to the delivery of development assistance of interest to the Agency or its stakeholders;
- m) maintaining the Agency's database of development information and development experience and acting as a repository for Agency lessons learned; and
- n) supporting its operating units in achieving approved objectives, and reviewing annually those units' performance in achieving their objectives.

2. Bureau for Management (M): M is responsible for:

- a) analyzing the resource requirements necessary to meet Agency goals;
- b) establishing indicative budget planning levels for operating bureaus in a timely manner;
- c) reviewing and concurring with operating unit strategic plans for consistency with anticipated resource availability;
- d) conducting the Agency review of bureau budget submissions with PPC;
- e) ensuring that performance and results information are used in Agency resource allocation decision making;
- f) preparing the Agency's annual budget request for OMB and Congress;
- g) monitoring budget implementation; and
- h) assisting PPC with establishing and maintaining the monitoring system for Agency goals and objectives, and reviewing and reporting on overall Agency performance.

3. Office of General Counsel (GC): GC is responsible for:

- a) assuring that proposed activities are in compliance with all legal requirements;
- b) assuring that such activities and their implementation were not in violation of any prohibitions against assistance; and
- c) assuring that agreements with host countries, and other agreements as appropriate, meet the agency's requirements.

4. Regional Bureau: Each regional bureau is responsible for:

- a) providing oversight and support to operating units in the strategic planning process, ensuring that strategic plans are in place for each operating unit;
- b) providing supplemental policy guidance addressing concerns unique to the region as necessary;
- c) establishing indicative country levels for budget planning prior to the initiation of the strategic planning process and the annual results review and resource request (R4) submission;
- d) managing the Agency review of strategic plans for operating units under its authority;
- e) reviewing strategic plans from its operating units as well as those from Global Bureau (G) and Bureau for Humanitarian

Response (BHR) operating units for consistency with regional priorities and geopolitical considerations;

f) approving country and regional strategic plans under its purview with concurrence from Management (M), Policy and Program Coordination (PPC), General Counsel (GC), BHR (as appropriate), and G;

g) providing an analytic overview of results in the region in conjunction with the annual bureau budget submission;

h) supporting its respective operating units overseas and, in USAID Washington (USAID/W), in achieving approved objectives, pursuant to the management contracts established following the review and approval of strategic plans;

i) reviewing and assessing the performance of each of its operating units in achieving that unit's objectives;

j) coordinating the participation in these reviews of PPC, M, G, and BHR; and

k) participating in the review of overall Agency performance.

5. Global Bureau (G): G is responsible for:

a) assisting overseas and USAID/W operating units by providing technical leadership and guidance in the development and review of strategic plans;

b) organizing the provision to all operating units of central technical resources which are relevant to implementation of strategic plans;

c) providing assistance to PPC in establishing and maintaining the monitoring system for Agency goals and objectives;

d) participating in regional bureau reviews of field mission performance, and in the review of overall Agency performance;

e) providing oversight and support to its own operating units in developing their strategic plans, ensuring appropriate consultation in this process with operating units in the field, managing the Agency review of those plans, and approving the plans with concurrence from M, PPC, GC, BHR (as appropriate) and regional bureaus; and

f) supporting its operating units in achieving approved objectives, and reviewing (in consultation with PPC, M, BHR and regional bureaus) and reporting annually those units' performance in achieving their objectives.

6. Bureau for Humanitarian Response (BHR): BHR is responsible for:

- a) providing technical leadership and guidance in planning and implementation to all operating units in the area of humanitarian assistance, food aid, and programs which are in transition from relief to development as appropriate;
- b) reviewing operating unit strategic plans to assure humanitarian, disaster relief, food aid, and transitional concerns are appropriately addressed, and participating in other bureau reviews of their respective operating units' performance;
- c) organizing the provision of resources under its purview relevant to implementing strategic plans;
- d) providing oversight and support to its own operating units in developing their strategic plans;
- e) ensuring appropriate consultation with operating units in the field;
- f) managing the review and approval of strategic plans for operating units under its authority, with concurrence from M, PPC, GC, regional bureaus, and G; and
- g) providing an analytic overview of results in its programs in conjunction with the annual bureau budget submission.

7. Operating Units: Operating units are responsible for:

- a) developing strategic plans for program funds for which they have responsibility and authority;
- b) ensuring the participation of other interested USAID offices, partners and customers throughout planning, achieving and performance monitoring and evaluating;
- c) within the scope of its management contract, delegated authorities, and Agency directives, managing the implementation of the strategic plan, including establishing and defining authorities for strategic objective teams, achieving the objective(s) set forth in the plan, and reviewing performance and reporting annually on that performance to their respective bureaus;
- d) during the course of implementation, ensuring that their strategic objective teams gather and use performance information to manage for results, and that adequate resources are programmed for performance monitoring and evaluation.

8. Strategic Objective Team: A strategic objective (SO) team is responsible for managing to achieve a specific strategic objective under the direction of an operating unit. The SO team's specific responsibilities include:

- a) establishing its internal operating rules and procedures (consistent with its delegated authorities);
- b) involving customers and partners in collecting, reviewing and interpreting performance information, and assuring that agreed-to customer needs are addressed through activities being implemented;
- c) grouping, as appropriate, results and associated activities from the SO's results framework into results packages (and regrouping as necessary);
- d) allocating resources associated with achieving the objective;
- e) developing and implementing (within subteams if appropriate) necessary and effective activities, contracts, grants and other agreements;
- f) monitoring, analyzing and reporting on performance against established performance criteria, and taking corrective action as necessary;
- g) using evaluative activities to determine why assistance is or is not achieving intended results;
- h) recommending to the operating unit any changes to an objective or the strategic plan;
- i) preparing appropriate close-out reports, including resources expended, accomplishments achieved and lessons learned;
- j) with respect to the strategic objective team leader, organizing, coordinating, coaching and inspiring the team to achieve the set of results leading to the strategic objective; and
- k) with respect to each strategic objective team member, advancing a common team effort to achieve the strategic objective assigned to the team, and implementing his or her specific responsibilities and authorities on that team.

#### 202.4 Definitions

1. Activity: An action undertaken either to help achieve a program result or set of results, or to support the functioning of the Agency or one of its operating units. In a program context, i.e., in the context of results frameworks and strategic objectives, an activity may include any action used to advance the achievement of a given result or objective, whether financial resources are used or not. E.g., an activity could be defined around the work of a USAID staff member directly negotiating policy change with a host country government, or it could involve the use of one or more grants or contracts to provide technical assistance and commodities in a particular area. (Also within

this context, for the purposes of the New Management Systems [see definition], "activity" includes the strategic objective itself as an initial budgeting and accounting element to be used before any specific actions requiring obligations are defined.) In an operating expense context, an activity may include any action undertaken to meet the operating requirements of any organizational unit of the Agency.

2. Activity Manager: That member of the strategic objective or results package team designated by the team to manage a given activity or set of activities.

3. Agency Goal: A long-term development result in a specific area to which USAID programs contribute and which has been identified as a specific goal by the Agency. (See also Operating Unit Goal.)

4. Agency Mission: The ultimate purpose of the Agency's programs; it is the unique contribution of USAID to our national interests. There is one Agency mission.

5. Agency Objective: A significant development result that USAID contributes to, and which contributes to the achievement of an Agency goal. Several Agency objectives contribute to each Agency goal. Changes in Agency objectives are typically observable only every few years.

6. Agency Program Approach: A program or tactic identified by the Agency as commonly used to achieve a particular objective. Several program approaches are associated with each Agency objective.

7. Agency Strategic Plan: The Agency's plan for providing development assistance; the strategic plan articulates the Agency's mission, goals, objectives, and program approaches.

8. Agency Strategic Framework: A graphical and/or narrative representation of the Agency's strategic plan; the framework is a tool for communicating USAID's development strategy. The framework also establishes an organizing basis for measuring, analyzing, and reporting results of Agency programs.

9. Agent: An individual or organization under contract with USAID.

10. Agreement: An agreement is the formal mutual consent of two or more parties. The Agency employs a variety of agreements to formally record understandings with other parties, including grant agreements, cooperative agreements, strategic objective agreements, memorandum of understanding, contracts and limited scope grant agreements. In most cases, the agreement identifies the results to be achieved, respective roles and contributions to resource requirements in pursuit of a shared objective within a given time frame.

11. Assistance Mechanism: A specific mode of assistance chosen to address an intended development result. Examples of mechanisms include: food aid, housing guaranties, debt-for-nature swaps, endowments, cash

transfers, etc.

12. Baseline: See Performance Baseline.

13. Causal Relationship: A plausible cause and effect linkage; i.e. the logical connection between the achievement of related, interdependent results.

14. Critical Assumption: In the context of developing a results framework, critical assumptions refer to general conditions under which a development hypothesis will hold true or conditions which are outside of the control or influence of USAID, and which are likely to affect the achievement of results in the results framework. Examples might be: the ability to avert a crisis caused by drought, the outcome of a national election, or birth rates continuing to decline as it relates to an education program. A critical assumption differs from an intermediate result in the results framework in the sense that the intermediate result represents a focused and discrete outcome which specifically contributes to the achievement of the SO.

15. Customer: An individual or organization who receives USAID services or products, benefits from USAID programs or who is affected by USAID actions.

15a Intermediate Customer: A person or organization, internal or external to USAID, who uses USAID services, products, or resources to serve indirectly or directly the needs of the ultimate customers.

15b Ultimate Customer: Host country people who are end users or beneficiaries of USAID assistance and whose participation is essential to achieving sustainable development results.

16. Customer Representative: Any individual or organization that represents the interests of those individuals, communities, groups or organizations targeted for USAID assistance.

17. Customer Service Plan: A document which presents the operating unit's vision for including customers and partners to achieve its objectives. This document also articulates the actions necessary to engage participation of its customers and partners in planning, implementation and evaluation of USAID programs and objectives.

18. Customer Surveys: Surveys (or other strategies) designed to elicit information about the needs, preferences, or reactions of customers regarding an existing or planned activity, result or strategic objective.

19. Development Experience: The cumulative knowledge derived from implementing and evaluating development assistance programs. Development experience is broader in scope than "lessons learned", and includes research findings, applications of technologies and development methods, program strategies and assistance mechanisms, etc.



20. Development Information: The body of literature and statistical data which documents and describes the methods, technologies, status and results of development practices and activities and measures levels of development on a variety of dimensions.
21. Evaluation: A relatively structured, analytic effort undertaken selectively to answer specific management questions regarding USAID-funded assistance programs or activities. In contrast to performance monitoring, which provides ongoing structured information, evaluation is occasional. Evaluation focuses on why results are or are not being achieved, on unintended consequences, or on issues of interpretation, relevance, effectiveness, efficiency, impact, or sustainability. It addresses the validity of the causal hypotheses underlying strategic objectives and embedded in results frameworks. Evaluative activities may use different methodologies or take many different forms, e.g., ranging from highly participatory review workshops to highly focused assessments relying on technical experts.
22. Global Programs or Activities: Global programs or activities refer to USAID programs or activities which take place across various regions, (i.e. they are trans-regional in nature). These types of programs are most often managed by central operating bureaus such as BHR or the G Bureau.
23. Goal: See Operating Unit Goal or Agency Goal.
24. Implementation Letters: Formal correspondence, numbered sequentially, between USAID and public sector entities pursuant to a duly signed agreement.
25. Indicator: See Performance Indicator.
26. Input: The provision of technical assistance, commodities, capital or training in addressing development or humanitarian needs.
27. Interim Performance Target: A target value which applies to a time period less than the overall time period related to the respective performance indicator and performance target.
28. Intermediate Result: A key result which must occur in order to achieve a strategic objective.
29. Joint Planning: A process by which an operating unit actively engages and consults with other relevant and interested USAID offices in an open and transparent manner. This may occur through participation on teams or through other forms of consultation.
30. Lesson Learned: The conclusions extracted from reviewing a development program or activity by participants, managers, customers or evaluators with implications for effectively addressing similar issues/problems in another setting.
31. Limited Scope Grant Agreement: The Limited Scope Grant

Agreement (LSGA) is similar to the Strategic Objective Agreement but is shorter in length. It is used for obligating funds for a small activity or intervention; e.g., participant training or PD&S. Model agreements, including the LSGA, can be found in the Series 300 directives.

32. Manageable Interest: See Responsibility

33. Management Contract: The management contract consists of the strategic plan (including a strategic objectives and supporting results frameworks) together with official record of the guidance emerging from the review of the plan. The management contract provides; a summary of agreements on a set of strategic and other objectives, confirmation of estimated resources over the strategy period, delegations of authority, and an overview of any special management concerns.

34. Memorandum or Letter of Understanding: A memorandum of understanding or letter of understanding (not used for obligating funds) sets forth the understandings of the parties regarding the objective, results to be achieved and the respective roles and responsibilities of each party in contributing toward the achievement of a given result or objective. It is particularly useful when USAID wishes to obligate through individual grants and contracts, without host government participation in those actions, but still wishes to make the host government a partner in writing to the program or activity and each party's obligations. It specifically provides for USAID implementation in the manner noted above.

35. New Management Systems: The set of management software developed to support Agency functions in the areas of accounting, budgeting, planning, achieving, performance monitoring and evaluation, assistance and acquisition, human resource management and property management.

36. Objective: See Agency Objectives.

37. Obligation: In the event of a strategic objective agreement with a host country government, that agreement is normally the obligating agreement (unless a non-obligating MOU is used) and all grants to and contracts with private entities thereunder are subobligating agreements. If there is no strategic objective agreement, whether or not a non-obligating MOU is used, all grants to and contracts with private entities become obligating agreements.

38. Operating Unit: USAID field mission or USAID/W office or higher level organizational unit which expends program funds to achieve a strategic objective, strategic support objective, or special objective, and which has a clearly defined set of responsibilities focussed on the development and execution of a strategic plan.

39. Operating Unit Goal: A higher level development result to which an operating unit contributes, but which lies beyond the unit's level of responsibility. An operating unit goal is a longer term development result that represents the reason for achieving one or more objectives in an operating unit strategic plan. An operating unit goal may be

identical to an Agency goal, but is normally distinguished from it in several key ways. An Agency goal is a long-term general development objective, in a specific strategic sector, that USAID works toward, and represents the contribution of Agency programs working in that sector. An operating unit goal is optional and represents a long-term result in a specific country or program to which an operating unit's programs contribute, and may cross sector boundaries.

40. Output: The product of a specific action, e.g., number of people trained, number of vaccinations administered.

41. Parameter: A given framework or condition within which decision making takes place (i.e. Agency Goals, earmarks, legislation, etc).

42. Participation: The active engagement of partners and customers in sharing ideas, committing time and resources, making decisions, and taking action to bring about a desired development objective.

43. Partner: An organization or customer representative with which/whom USAID works cooperatively to achieve mutually agreed upon objectives and intermediate results, and to secure customer participation. Partners include: private voluntary organizations, indigenous and other international non-government organizations, universities, other USG agencies, U.N. and other multilateral organizations, professional and business associations, private businesses (as for example under the U.S.-Asia Environmental Partnership), and host country governments at all levels.

44. Partner Representative: An individual that represents an organization with which USAID works cooperatively to achieve mutually agreed upon objectives.

45. Partnership: An association between USAID, its partners and customers based upon mutual respect, complementary strengths, and shared commitment to achieve mutually agreed upon objectives.

46. Performance Baseline: The value of a performance indicator at the beginning of a planning and/or performance period. A performance baseline is the point used for comparison when measuring progress toward a specific result or objective. Ideally, a performance baseline will be the value of a performance indicator just prior to the implementation of the activity or activities identified as supporting the objective which the indicator is meant to measure.

47. Performance Indicator: A particular characteristic or dimension used to measure intended changes defined by an organizational unit's results framework. Performance indicators are used to observe progress and to measure actual results compared to expected results. Performance indicators serve to answer "whether" a unit is progressing towards its objective, rather than why/why not such progress is being made. Performance indicators are usually expressed in quantifiable terms, and should be objective and measurable (numeric values, percentages, scores and indices). Quantitative indicators are preferred in most cases,

although in certain circumstances qualitative indicators are appropriate.

48. Performance Information: The body of information and statistical data that directly relates to performance towards overall USAID goals and objectives, as well as operating unit strategic objectives, strategic support objectives and special objectives. Performance information is a product of formal performance monitoring systems, evaluative activities, customer assessments and surveys, Agency research and informal feedback from partners and customers.

49. Performance Monitoring: A process of collecting and analyzing data to measure the performance of a program, process, or activity against expected results. A defined set of indicators is constructed to regularly track the key aspects of performance. Performance reflects effectiveness in converting inputs to outputs, outcomes and impacts (i.e., results).

50. Performance Monitoring Plan: A detailed plan for managing the collection of data in order to monitor performance. It identifies the indicators to be tracked; specifies the source, method of collection, and schedule of collection for each piece of datum required; and assigns responsibility for collection to a specific office, team, or individual. At the Agency level, it is the plan for gathering data on Agency goals and objectives. At the Operating Unit level, the performance monitoring plan contains information for gathering data on the strategic objectives, intermediate results and critical assumptions included in an operating unit's results frameworks.

51. Performance Monitoring System: An organized approach or process for systematically monitoring the performance of a program, process or activity towards its objectives over time. Performance monitoring systems at USAID consist of, inter alia: performance indicators, performance baselines and performance targets for all strategic objectives, strategic support objectives, special objectives and intermediate results presented in a results framework; means for tracking critical assumptions; performance monitoring plans to assist in managing the data collection process, and; the regular collection of actual results data

52. Performance Target: The specific and intended result to be achieved within an explicit timeframe and against which actual results are compared and assessed. A performance target is to be defined for each performance indicator. In addition to final targets, interim targets also may be defined.

53. Portfolio: The sum of USAID-funded programs being managed by a single operating unit.

54. Rapid, Low-cost Evaluations: Analytic or problem-solving efforts which emphasize the gathering of empirical data in ways that are low-cost, timely, and practical for management decision making. Methodological approaches include mini-surveys, rapid appraisals, focus

groups, key informant interviews, observation, and purposive sampling, among others.

55. Responsibility: In the context of setting strategic objectives, responsibility refers to a guiding concept which assists an operating unit in determining the highest level result that it believes it can materially affect (using its resources in concert with its development partners and customers) and that it is willing to use as the standard for the judgement of progress. This has also been referred to as "manageable interest."

56. Result: A change in the condition of a customer or a change in the host country condition which has a relationship to the customer. A result is brought about by the intervention of USAID in concert with its development partners and customers. Results are linked by causal relationships, i.e. a result is achieved because related, interdependent result(s) were achieved. Strategic objectives are the highest level result for which an operating unit is held accountable; intermediate results are those results which contribute to the achievement of a strategic objective.

57. Results Framework: The results framework represents the development hypothesis including those results necessary to achieve a strategic objective and their causal relationships and underlying assumptions. The framework also establishes an organizing basis for measuring, analyzing, and reporting results of the operating unit. It typically is presented both in narrative form and as a graphical representation.

58. Results Package: A results package (RP) consists of people, funding, authorities, activities and associated documentation required to achieve a specified result(s) within an established time frame. An RP is managed by a strategic objective team (or a results package team if established) which coordinates the development, negotiation, management, monitoring and evaluation of activities designed consistent with: (1) the principles for developing and managing activities; and (2) achievement of one or more results identified in the approved results framework. The purpose of a results package is to deliver a given result or set of results contributing to the achievement of the strategic objective.

The strategic objective team will define one or more RPs to support specific results from the results framework. The SO team may elect to manage the package or packages itself, or may create one or more subteams to manage RPs. In addition, strategic objective teams create, modify and terminate results packages as required to meet changing circumstances pursuant to the achievement of the strategic objective. Thus, typically a results package will be of shorter duration than its associated strategic objective.

59. Results Package Data Base: A results package data base consists of the data and information related to the actions, decisions, events, and performance of activities under a results package.

60. Results Review and Resource Request (R4): The document which is reviewed internally and submitted to USAID/W by the operating unit on an annual basis. The R4 contains two components: the results review and the resource request. Judgement of progress will be based on a combination of data and analysis and will be used to inform budget decision making.

61. Review Workshops: Workshops which involve key participants in an SO/RP or even a particular element of an RP in collectively evaluating performance during the previous implementation period and planning for the forthcoming period. Participants are normally representatives of partners, customers, counterparts, other donors, stakeholders, and USAID. Successful workshops are often facilitated to assure that all perspectives are heard and that key findings and conclusions and consensus on modifications and plans is documented and distributed.

62. Special Objective: The result of an activity or activities which do not qualify as a strategic objective, but support other US government assistance objectives. A special objective is expected to be small in scope relative to the portfolio as a whole.

63. Stakeholders: Individuals and/or groups who have an interest in and influence USAID activities, programs and objectives.

64. Strategic Objective: The most ambitious result (intended measurable change) that a USAID operational unit, along with its partners, can materially affect and for which it is willing to be held responsible. The strategic objective forms the standard by which the operational unit is willing to be judged in terms of its performance. The time-frame of a strategic objective is typically 5-8 years for sustainable development programs, but may be shorter for programs operating under short term transitional circumstances or under conditions of uncertainty.

65. Strategic Objective Agreement: A formal agreement that obligates funds between USAID and the host government or other parties, setting forth a mutually agreed upon understanding of the time frame, results expected to be achieved, means of measuring those results, resources, responsibilities, and contributions of participating entities for achieving a clearly defined strategic objective. Such an agreement between USAID and the host government may allow for third parties (e.g., NGOs) to enter into sub-agreements with either USAID or the host government or both to carry out some or all of the activities required to achieve the objective. (Details in Series 300.)

66. Strategic Plan: The framework which an operating unit uses to articulate the organization's priorities, to manage for results, and to tie the organization's results to the customer/beneficiary. The strategic plan is a comprehensive plan which includes the delimitation of strategic objectives and a description of how it plans to deploy resources to accomplish them. A strategic plan is prepared for each portfolio whether it is managed at a country level, regionally, or centrally.

67. Strategic Support Objective: Strategic support objectives are intended to capture and measure a regional or global development objective which is dependent on the results of other USAID operating units to achieve the objective but to which a global or regional program makes an important contribution. Therefore, the key differentiation from a strategic objective, as defined above, is that there is a recognition that the achievement of the objective is accomplished and measured, in part, through the activities and results at the field mission level.

68. Subgoal: A higher level objective which is beyond of the operating unit's responsibility but which provides a link between the strategic objective and the operating unit goal. Inclusion in operating unit plans is optional.

69. Strategic Objective Team: In general, a team is a group of people committed to a common performance goal for which they hold themselves individually and collectively accountable. Teams can include USAID employees exclusively or USAID and partner and customer representatives. An SO team is a group of people who are committed to achieving a specific strategic objective and are willing to be held accountable for the results necessary to achieve that objective. The SO team can establish subsidiary teams for a subset of results or to manage a results package.

69a. Core Team: U.S. government employees and others who may be authorized to carry out inherently U.S. governmental functions such as procurement actions or obligations. For example, only members of the core team would manage procurement sensitive materials or negotiate formal agreements.

69b. Expanded Team: U.S. government employees and partner and customer representatives committed to achieving the strategic objective.

69c. Virtual Team: Members of a team who are not collocated and therefore participate primarily through telecommunication systems.

70. Target: See Performance Target.

71. U.S. National Interest: A political/strategic interest of the United States that guides the identification of recipients of foreign assistance and the fundamental characteristics of development assistance.

72. Value Engineering: A management technique using a systematized approach to seek out the best functional balance between the cost, reliability, and performance of an activity or process, with a particular focus on the identification and elimination of unnecessary costs. VE/VA can be used both in the design stage and as an evaluation tool.

202.5.1 Managing for Results - Applicability

These provisions shall apply to all program or guarantee resources administered by USAID. Emergency disaster assistance, emergency food aid authorized under Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (P.L. 480), and activities undertaken by operating units that have received exemptions from the requirements of strategic planning, may be exempted from some of these provisions; affected operating units shall request clarification from their respective bureau.

E202.5.1 Managing for Results - Applicability - N/A

202.5.2 Strategic Objective Team

The operating unit shall establish a strategic objective team for each strategic objective, strategic support objective, and special objective defined in the approved strategic plan.

E202.5.2 Strategic Objective Team - N/A

202.5.2a Composition and Responsibilities of the Strategic Objective Team

The operating unit shall establish a strategic objective team comprised of USAID personnel, agents, development partners, stakeholders, and customers for the purpose of jointly working to achieve the strategic objective.

E202.5.2a(1) Composition of the Strategic Objective Core and Expanded Team

The operating unit shall establish a strategic objective core team, consisting of USAID employees and others who are internal to the operating unit and who are authorized to carry out inherently U.S. governmental functions such as procurement actions or obligations, or who are serving on a part time or full time basis while assigned to other organizational units within the Agency (e.g., Global, regional bureaus, PPC, BHR, GC, or M). This core team shall operate under the direction of the operating unit for the purpose of carrying out USAID's responsibilities for achieving the strategic objective. The core team shall establish, under the direction of the operating unit, the strategic objective expanded team. Together, the core and expanded teams comprise the strategic objective team. The strategic objective expanded team shall consist of groups or persons who:

- 1) bring significant expertise or knowledge needed for achieving the strategic objective;
- 2) represent major development partners, especially those receiving funds from USAID, others who bring to the program significant resources of their own, or those who manage significant resources of others which are necessary for achieving the strategic objective;



3) represent key stakeholders, in particular those local groups and individuals who are anticipated to realize significant gains or suffer substantial losses if the strategic objective is achieved; and

4) represent major USAID customers for the strategic objective.

E202.5.2a(2) Responsibilities of the Strategic Objective Expanded Team

The strategic objective expanded team shall assist in managing to achieve the strategic objective, including the following:

a) identify and evaluate the assumptions and hypotheses inherent in the program's activities and in the results framework;

b) analyze and report overall performance against expected results and the strategic objective; and

c) use monitoring and evaluation information, customer surveys, analysis of performance, individual expertise, and other relevant information, to recommend approaches and to make adjustments in ongoing activities and/or in the results framework.

E202.5.2a(3) Responsibilities of the Strategic Objective Core Team:

In addition to the responsibilities listed in E202.5.2a(2), the strategic objective core team shall:

a) carry out inherently governmental functions (e.g., represent the Agency in negotiations with other organizations; policy formulation; negotiation of agreements; contracts; grants; and other functions specified in legislation or regulation as inherently governmental), and carry out other Agency responsibilities consistent with the delegations of authority to individual or classes of team members (e.g., U.S. direct hires, foreign service nationals, personnel services contracts, etc.);

b) carry out Agency responsibilities with respect to the requirements of section 202.5.5;

c) maintain information on current plans and status of activities (including planned and actual inputs and outputs) and results achievement; agreements signed; implementation letters and other relevant correspondence; any analysis performed preceding, during or after completion of activities; and other documents related to key decisions the core team and the strategic objective team make in carrying out their responsibilities;

d) create, modify and disband results packages (see 202.5.4); and

e) prepare activity, results package, and strategic objective close out reports, as necessary, to summarize the results

attained, resources expended, lessons learned, and, where relevant, the benefits or processes expected to be sustainable beyond the period of USAID funding; how such sustainability will be monitored; and for what time period.

202.5.2b Strategic Objective Team Authorities

The operating unit shall establish the authorities and other parameters governing strategic objective team operations.

E202.5.2b Strategic Objective Team Authorities

The operating unit shall specify the information below in establishing the strategic objective team:

- 1) The specific strategic objective to be achieved, which shall be consistent with the approved strategic plan and the operating unit's customer service plan;
- 2) Performance measure and reporting requirements;
- 3) The responsibilities of, and authorities delegated to core team members;
- 4) The budget for achieving the strategic objective;
- 5) Other requirements or conditions which the operating unit shall deem necessary to ensure the core team is capable of carrying out its responsibilities in accordance with these directives and any special conditions that may pertain to the strategic objective approval pursuant to the management contract.

202.5.3 Including the Views of Customers and Stakeholders

Operating units and their core teams, in seeking to include the views of customers or stakeholders in the deliberations of strategic objective teams, shall meet such requirement through one or more of the following means:

- direct representatives of customers sitting on the team; or
- representatives from associations, non-governmental organizations, informal groups or collections of individuals, who the strategic objective team deems competent to serve on the team; or
- members of the strategic objective core team or USAID development partners eliciting input through normally accepted means from customers or their representatives, including key informants, that provide sufficient information to inform the decisions of the strategic objective team with respect to the needs, desires, and wants of the customer. Normally accepted means shall include but not be limited to: focus groups, town

meetings, formal and informal consultations, systematic formalized customer surveys or research, rapid appraisal methods that involve customers, or other means that the Agency may from time to time include as acceptable means of acquiring customer input.

E202.5.3 Including the Views of Customers and Stakeholders: N/A

202.5.4 Results Package

With guidance from and representing the strategic objective expanded team, the strategic objective core team shall create, modify and disband results packages as required to meet changing circumstances pursuant to the achievement of the strategic objective. (See also 202.6.1.)

E202.5.4a Establishment of Results Packages

With guidance from and representing the strategic objective expanded team, the core team shall establish one or more results packages from the results framework. Results packages may be managed by the strategic objective team or by a subgroup established by that team (a results package team). Each results package shall include:

- a) the set of activities designed to achieve the results in the results package;
- b) information or analysis required for the strategic objective team to approve activities;
- c) explanation of how activities will achieve the intended results, including linkages between USAID, intermediaries and ultimate customers;
- d) identification of personnel, including appropriate USAID staff and representatives of partners and customers, with the knowledge and capacity needed to deliver the specified result(s);
- e) identification of clearly defined responsibilities and authorities sufficient to ensure decisions can be made which are necessary to results achievement, consistent with Agency conflict of interest requirements;
- f) funding from USAID and partner organizations sufficient to carry out the activities required to deliver the specified results; and,
- g) a performance monitoring plan indicating how results will be monitored and measured.

E202.5.4b Creating, Disbanding, or Modifying the Results Package

With guidance from and representing the strategic objective expanded team, the core team shall create, disband or modify results packages as necessary to ensure the achievement of the strategic objective. The

team shall also monitor, assess, and evaluate, as necessary, the performance of agreements and other actions to ensure that intended results are being achieved.

#### 202.5.5 Principles for Developing and Managing Activities

Strategic objective teams shall develop and manage activities to:

- seek to maximize the impact of scarce development resources;
- ensure the prudent stewardship of USAID resources;
- manage for results; and
- Comply with applicable USAID policies.

#### E202.5.5 Principles for Developing and Managing Activities

Teams shall carry out the following functions in developing and managing activities:

- a) seek commitment of all relevant development partners and stakeholders, in the public and private sectors, to USAID-financed efforts; collaborate closely with customers, partners, stakeholders, and other donors to develop complementary programs and leverage additional resources wherever possible; assure that the policy and institutional framework exists or is developed to support the USAID investment; and seek sustainable solutions to development problems, including the active participation of local organizations and communities during and after USAID's involvement.
- b) apply lessons learned from prior USAID and other donor experience; select development strategies that seek to maximize the probability of achieving approved objectives and minimize costs, including USAID management costs; examine design feasibility, soundness, and cost-benefit or cost effectiveness, including careful consideration of alternate approaches and alternative delivery mechanisms and reporting on the costs and risks associated with USAID-financed activities.
- c) ensure that all USAID-financed agreements (strategic objective agreements, grants, contracts, cooperative agreements, etc.) have clear performance targets and accountability standards; define procedures for monitoring, evaluating, and reporting on the results of USAID assistance; create plans and program support systems which are sufficiently flexible to enable USAID and its development partners to respond to customer needs and complex and changing circumstances; experiment with new and innovative approaches to development problems to enhance the probability of success; use performance information on program results to inform decisions on future direction of the program activities. (See Series 200, chapter 203, for guidance on performance targets, and

Series 300 for guidance on specific agreements.)

202.5.5a Criteria To Be Met By Approved Activities

Activities developed pursuant to an approved strategic plan shall meet the following three criteria:

- show how USAID resources (program and operating expense funds and personnel) will be used to support the achievement of result(s) in the results framework of the operating unit's approved strategic plan;
- ensure USAID and its partners can meet their fiduciary responsibilities for USAID funds; and
- provide a framework for monitoring the activity's contribution to the results in the results framework. (See Supplementary Reference 202.6.5 for suggestions regarding activity development and monitoring.)

E202.5.5a Criteria To Be Met by Approved Activities

The strategic objective team shall select from a variety of tactics in pursuing a given activity. In some instances, the tactic shall involve the deployment of one or more USAID staff members to achieve a desired outcome, such as a change in host country policy. In other, more complex instances, the tactic shall involve a particular assistance agreement specifying the roles, responsibilities, contributions, performance monitoring and other arrangements necessary to accomplish the desired outcome of a given activity. Such agreements shall include a memorandum of understanding, particularly when more than two parties are involved in a common undertaking; a bilateral agreement with a host government entity; a strategic objective agreement, where the intent is to confirm understandings for an entire strategic objective; a grant agreement or cooperative agreement with a non-governmental organization (NGO); or a limited scope grant agreement for small scale bilateral activities. (See the Series 300 directives for additional discussion and examples of assistance agreements.)

202.5.5b Developing and Managing USAID Financed or Supported Activities

In developing and managing USAID financed or supported activities, including activities that do not involve program funds, USAID managers and teams shall ensure that the substance and design of such activities meet the policy requirements promulgated by USAID (see also 202.5.7 through 202.5.10, which contain additional statutory or regulatory requirements that may be applicable to the design and management of specific activities).

E202.5.5b Developing and Managing USAID Financed or Supported Activities

There are numerous policy requirements that define how USAID develops activities. For example, there are unique requirements associated with

food aid programs, housing guaranty programs, and others that need to be taken into account when relevant to the activity to be undertaken. Below is an index of current policies with cross references to the location of relevant policy requirements and their associated essential procedures:

- Policy Papers and Policy Determinations (see HB 1);
- Agency Strategic Framework ( Series 200, Chapter 201)
- Housing Guaranty Programs (see Chapter 2xx);
- International Disaster Assistance (see Chapter 2xx);
- Food Aid (see Chapter 2xx);
- Participant Training (see Chapter 2xx);

#### 202.5.6 Using Performance Information to Achieve Results

The operating units and SO teams shall remain informed of all aspects of performance relating to USAID-funded assistance in order to effectively manage for results. Performance monitoring information, evaluation findings, and information from additional formal and informal sources shall be used regularly throughout management processes. Specifically, operating units and SO teams shall use such information to:

- improve the performance, effectiveness, and design of existing development assistance activities;
- revise operating unit strategies, including objectives and results frameworks, where necessary;
- plan new activities, intermediate results or objectives;
- make informed decisions whether to revise or terminate results packages and/or individual activities which are not achieving intended results; and,
- document findings on the impact of development assistance.

See Series 200, Chapter 203.

#### 202.5.7 Obligation and Sub-Obligation of USAID Funds

Prior to the obligation or sub-obligation of USAID funds, the USAID signatory shall ensure that the respective agreement meets applicable statutory, regulatory, and USG policy requirements. (See Series 300 for information about agreements and other requirements associated with agreements.) USAID managers and teams shall review the applicable checklists (see Appendix A) and ensure that financial management (see Series 500) and other requirements are met during the "managing for results" process.

## E202.5.7 Obligation and Sub-Obligation of USAID Funds

The Country Checklist (see Appendix A, Country Eligibility Checklist Index), composed of items affecting the eligibility for foreign assistance of a country as a whole, shall be reviewed at the beginning of each fiscal year. In most cases, responsibility for review of the Country Checklist rests with the cognizant USAID/W bureau working in conjunction with the Assistant General Counsel for that bureau.

The Assistance Checklist (Appendix A, Part II) lists the statutory and regulatory items that directly concern assistance resources. The Assistance Checklist shall be reviewed in the field, but information shall be requested from Washington whenever necessary. USAID managers are advised to consult these checklists early in the development of activities as there are several requirements that shall be taken into account in the planning of activities. For activities funded by accounts other than Development Assistance and Economic Support Funds, consult the Regional Legal Adviser or the Assistant General Counsel for the region.

Because the statutory checklist does not include country-specific statutory requirements, consult with the Regional Legal Adviser or the Assistant General Counsel for country-specific statutory requirements.

Information about agreements and related requirements is provided in Series 300.

Information about financial management requirements is provided in Series 500.

### 202.5.7a Authorization to Sign or Negotiate Agreements

Only USAID personnel so designated in appropriate delegations of authority shall be authorized to negotiate or sign obligation or sub-obligation agreements on behalf of USAID.

### 202.5.7b Actions Prior To Approving Obligating and Sub-obligating Agreements

Prior to approving obligating and sub-obligating agreements, the USAID signatory shall ensure the following:

- that all obligation or sub-obligation of USAID funds shall be in conformance with an approved strategic plan; in support of the development of a strategic plan or strategic objective; or related to monitoring and evaluating the strategic plan, its objectives, or other activities that support the approved program;
- that the appropriate obligating or sub-obligating agreement, including attachments, is used to obligate or sub-obligate USAID funds [see Series 300 for information on specific agreements];
- that organizations, who under the terms of the agreement

shall have the authority to further sub-obligate USAID funds, have met or have provision to meet USAID approved procurement and financial management standards as USAID may establish to govern such sub-obligations (see Series 300);

- that such agreement has been reviewed and approved for signature by the appropriate officials and parties as may be required pursuant to USAID's and the operating unit's standard operating procedures, as may be applicable;

- that the agreement obligating USAID funds is not in violation of the Anti-Deficiency Act (see 31 U.S.C., section 1341 (a)(1)); and

- that obligating agreements contain appropriate clauses to commit the recipient or grantee at a minimum to manage the activities funded by the agreement in such manner as to further the achievement of the strategic objective, to achieve specific results, and to broad consultation with USAID, other partners, customers, and other stakeholders involved in achieving the strategic objective.

#### 202.5.8 Other Agreements

Prior to entering into an agreement that does not obligate or sub-obligate USAID funds (e.g., memoranda of understanding), the USAID signatory shall ensure that the respective agreement meets all applicable statutory, regulatory, and USG policy requirements. (Model agreements and guidance are found in Series 300.)

E202.5.8 Other Agreements: N/A

#### 202.5.8a Authorization to Negotiate or Sign Agreements

Only USAID personnel so designated in appropriate delegations of authority shall be authorized to negotiate or sign agreements on behalf of USAID.

#### 202.5.8b Responsibilities of the Signatory

The USAID signatory shall ensure that all agreements are in conformance with an approved strategic plan; in support of the development of a strategic plan or strategic objective; or related to monitoring and evaluating the strategic plan, its objectives, or other activities that support the approved program.

The USAID signatory shall ensure that prior to signing an agreement on behalf of USAID that such agreement or instrument has been reviewed and approved for signature by the appropriate officials and parties as may be required pursuant to USAID's and the operating unit's standard operating procedures, as may be applicable.

The USAID signatory shall ensure that agreements contain appropriate



clauses to commit the parties to the strategic objective and specific results and to broad consultation with USAID, other partners, customers, and other stakeholders involved in achieving the strategic objective.

202.5.9 Information Management

Operating units shall ensure information relevant to the management of program resources is developed, used, and recorded.

E202.5.9 Information Management

Operating units shall ensure that implementation letters are used to record major developments in carrying out USAID financed programs with public sector entities, where the communication is between USAID and other parties pursuant to a duly signed agreement entered into by USAID. Areas covered by implementation letters shall include, but are not limited to: formal interpretations of agreements, satisfaction of conditions precedent to disbursement, funding commitments, and mutually agreed upon modifications to program descriptions. (See 202.6.2 for additional guidance on implementation letters.)

E202.5.9a Operating Units' Information Management Responsibilities

Operating units shall ensure that all relevant decisions, analyses, and other material and information necessary to document compliance with these directives are available to authorized persons, and are maintained through the respective unit's official filing system. (See Appendix B.)

E202.5.9b USAID Managers Information Management Responsibilities

USAID managers shall ensure that correspondence, reports, memoranda, and other information and documentation required for managing the achievement of strategic plans, objectives, results packages, activities, and agreements are prepared, issued, retained and kept current in accordance with the appropriate USAID policy governing such correspondence and records [see Series 500, Chapter 508, Electronic Records Management].

APPENDIX A

I. COUNTRY ELIGIBILITY CHECKLIST INDEX:

A. CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUNDS

1. Narcotics Certification [FAA Sec. 490]
2. Indebtedness to U.S. Citizens [FAA Sec. 620(c)]
3. Seizure of U.S. Property [Foreign Relations Authorization Act, FY 1994 and FY 1995 Sec. 527]
4. Communist and Other Countries [FAA Sections. 620(a), 620(f), 620(d); and FY 1995 Appropriations Act Sections. 507, 523]
5. Mob Action [FAA Sec 620(j)]
6. OPIC Investment Guaranty (FAA 620(l))
7. Seizure of U.S. Fishing Vessels [FAA Sec. 620(o); Fishermen's Protective Act of 1967, as amended, Sec. 5]
8. Loan Default (FAA Sec. 620(q); FY 1995 Appropriations Act Sec. 512 (Brooke Amendment))
9. Military Equipment [FAA Sec. 620(s)]
10. Diplomatic Relations with U.S. [FAA Sec. 620(t)]
11. U.N. Obligations [FAA Sec. 620(u)]
12. International Terrorism Sanctuary and support [FY 1995 Appropriations Act sec 529; FAA Sec. 620(a)]
13. Airport Security [ISDCA of 1985 Sec. 552(b)]
14. Compliance with UN Sanctions [FY 1995 Appropriations Act Sec. 538]
15. Countries that Export Lethal Military Equipment [FY 1995 Appropriations Act Sec. 563]
16. Discrimination [FAA Sec. 666(b)]
17. Nuclear Technology [Arms Export Control Act Sections. 101, 102]
18. Algiers Meeting [ISDCA of 1981, Sec. 720]
19. Military Coup [FY 1995 Appropriations Act sec. 508]

20. Exploitation of Children [FAA Sec. 116(b)]
21. Parking Fines [FY 1995 Appropriations Act Sec. 564]

B. CRITERIA APPLICABLE ONLY TO DEVELOPMENT ASSISTANCE

Human Rights Violations [FAA Sec. 116]

C. CRITERIA APPLICABLE ONLY TO ECONOMIC SUPPORT FUNDS

Human Rights Violations [FAA Sec. 502B]

II. ASSISTANCE CHECKLIST INDEX:

A. CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE AND ECONOMIC SUPPORT FUNDS

1. Host Country Development Efforts (FAA Sec. 601(a))
2. U.S. Private Trade and Investment (FAA Sec. 601(b))
3. Congressional Notification
  - a. General requirement (FY 1995 Appropriations Act Sec. 515; FAA Sec. 634A)
  - b. Special notification requirement (FY 1995 Appropriations Act Sec. 520)
  - c. Notice of account transfer (FY 1995 Appropriations Act Sec. 509)
  - d. Cash transfers and nonproject sector assistance (FY 1995 Appropriations Act Sec. 536(b)(3))

See additional guidance in Supplementary Reference entitled "Congressional Notification."
4. Engineering and Financial Plans (FAA Sec. 611(a))
5. Legislative Action (FAA Sec. 611(a)(2))
6. Water Resources (FAA Sec. 611(b))
7. Cash Transfer/Nonproject Sector Assistance Requirements (FY 1995 Appropriations Act Sec. 536)
8. Capital Assistance (FAA Sec. 611(e))
9. Multiple Country Objectives (FAA Sec. 601(a))
10. U.S. Private Trade (FAA Sec. 601(b))

11. Local Currencies
  - a. Recipient Contributions (FAA Sections. 612(b), 636(h))
  - b. U.S.-Owned Currency (FAA Sec. 612(d))
12. Trade Restrictions
  - a. Surplus Commodities (FY 1995 Appropriations Act Sec. 513(a))
  - b. Textiles (Lautenberg Amendment) (FY 1995 Appropriations Act Sec. 513(c))
13. Tropical Forests (FY 1991 Appropriations Act Sec. 533(c)(3) (as referenced in section 532(d) of the FY 1993 Appropriations Act)
14. PVO Assistance
  - a. Auditing and registration (FY 1995 Appropriations Act Sec. 560)
  - b. Funding sources (FY 1995 Appropriations Act, Title II, under heading "Private and Voluntary Organizations")
15. Agreement Documentation (State Authorization Sec. 139 (as interpreted by conference report))
16. Metric System (Omnibus Trade and Competitiveness Act of 1988 Sec. 5164, as interpreted by conference report, amending Metric Conversion Act of 1975 Sec. 2, and as implemented through A.I.D. policy)
17. Abortions (FAA Sec. 104(f); FY 1995 Appropriations Act, Title II, under heading "Population, DA," and Sec. 518):
18. Cooperatives (FAA Sec. 111)
19. U.S.-Owned Foreign Currencies
  - a. Use of currencies (FAA Sections. 612(b), 636(h); FY 1995 Appropriations Act Sections. 503, 505)
  - b. Release of currencies (FAA Sec. 612(d))
20. Procurement
  - a. Small business (FAA Sec. 602(a))
  - b. U.S. procurement (FAA Sec. 604(a))
  - c. Marine insurance (FAA Sec. 604(d))
  - d. Insurance (FY 1995 Appropriations Act Sec. 531)
  - e. Non-U.S. agricultural procurement (FAA Sec. 604(e))

- f. Construction or engineering services (FAA Sec. 604(g))
  - g. Cargo preference shipping (FAA Sec. 603))
  - h. Technical assistance (FAA Sec. 621(a))
  - i. U.S. air carriers (International Air Transportation Fair Competitive Practices Act, 1974)
  - j. Consulting services (FY 1995 Appropriations Act Sec. 559)
  - k. Competitive Selection Procedures (FAA Sec. 601(e))
  - l. Notice Requirement (FY 1995 Appropriations Act Sec. 568)
- 21. Construction
    - a. Capital Assistance (FAA Sec. 601(d))
    - b. Construction contract (FAA Sec. 611(c))
    - c. Large projects, Congressional approval (FAA Sec. 620(k))
  - 22. U.S. Audit Rights (FAA Sec. 301(d))
  - 23. Communist Assistance (FAA Sec. 620(h))
  - 24. Narcotics
    - a. Cash reimbursements (FAA Sec. 483)
    - b. Assistance to narcotics traffickers (FAA Sec. 487)
  - 25. Expropriation and Land Reform (FAA Sec. 620(g))
  - 26. Police and Prisons (FAA Sec. 660)
  - 27. CIA Activities (FAA Sec. 662)
  - 28. Motor Vehicles (FAA Sec. 636(i))
  - 29. Export of Nuclear Resources (FY 1995 Appropriations Act Sec. 506)
  - 30. Publicity or Propaganda (FY 1995 Appropriations Act Sec. 554)
  - 31. Exchange for Prohibited Act (FY 1995 Appropriations Act Sec. 533)
  - 32. Commitment of Funds (FAA Sec. 635(h))
  - 33. Impact on U.S. Jobs (FY 1995 Appropriations Act, Sec. 545)
  - 34. Environmental Considerations (22 CFR Part 216 [USAID Regulation 16]; also applicable to NIS per FY 1995 Appropriation Act [Levin Amendment]; see also items 11, 12, and 13 under "Criteria Applicable to Development Assistance Only.")

B. CRITERIA APPLICABLE TO DEVELOPMENT ASSISTANCE ONLY

1. Agricultural Exports (Bumpers Amendment) (FY 1995 Appropriations Act Sec. 513(b), as interpreted by conference report for original enactment)
2. Tied Aid Credits (FY 1995 Appropriations Act, Title II, under heading "Economic Support Fund")
3. Appropriate Technology (FAA Sec. 107)
4. Indigenous Needs and Resources (FAA Sec. 281(b))
5. Economic Development (FAA Sec. 101(a))
6. Special Development Emphases (FAA Sections. 102(b), 113, 281(a))
7. Recipient Country Contribution (FAA Secs. 110, 1(d))  
[See additional guidance in Supplementary Reference entitled "Guidance on Host Country Contribution under Section 110 of the FAA."]
8. Benefit to Poor Majority (FAA Sec. 128(b))
9. Contract Awards (FAA Sec. 601(e))
10. Disadvantaged Enterprises (FY 1995 Appropriations Act Sec. 555)
11. Environmental Impact Review (FAA Section 117, addressed under 22 CFR Part 216; see also item 34 under "Criteria Applicable to DA and ESF.")
12. Tropical Forests (FAA Section 118; FY 1991 Appropriations Act Section 533(c) as referenced in Sections 532(d) of the FY 1993 Appropriations Act; see also item 34 under "Criteria Applicable to DA and ESF.")
13. Biological Diversity (FAA Section 119(g); see also item 34 under "Criteria Applicable to DA and ESF.")
14. Energy (FY 1991 Appropriations Act Sec. 533(c) as referenced in section 532(d) of the FY 1993 Appropriations Act)
15. Debt-for-Nature Exchange (FAA Sec. 463)
16. Deobligation/Reobligation (FY 1995 Appropriations Act Sec. 510)
17. Loans
  - a. Repayment capacity (FAA Sec. 122(b))
  - b. Long-range plans (FAA Sec. 122(b))
  - c. Interest rate (FAA Sec. 122(b))
  - d. Exports to United States (FAA Sec. 620(d))

18. Development Objectives (FAA Sections. 102(a), 111, 113, 281(a))

19. Agriculture, Rural Development and Nutrition, and Agricultural Research (FAA Sections. 103 and 103A)

20. Population and Health (FAA Sections. 104(b) and (c))

21. Education and Human Resources Development (FAA Sec. 105)

22. Energy, Private Voluntary Organizations, and Selected Development Activities (FAA Sec. 106)

23. Capital Assistance (Jobs Through Export Act of 1992, Sections. 303 and 306(d))

C. CRITERIA APPLICABLE TO ECONOMIC SUPPORT FUNDS ONLY

1. Economic and Political Stability (FAA Sec. 531(a))

2. Military Purposes (FAA Sec. 531(e))

3. Commodity Grants/Separate Accounts (FAA Sec. 609)

4. Generation and Use of Local Currencies (FAA Sec. 531(d)) (For FY 1995, this provision is superseded by the separate account requirements of FY 1995 Appropriations Act Sec. 536(a), see Sec. 536(a)(5).)

5. Capital Activities (Jobs Through Exports Act of 1992, Sec. 306)

## APPENDIX B

### OFFICIAL FILES

- I. By Strategic Objective
  - A. Obligation Documents
    - 1. Bilateral
      - a. Grant and Loan Agreements
    - 2. Nonbilateral
      - a. Contracts
      - b. Grants
      - c. Purchase Orders
      - d. Interagency Agreements
      - e. PASAs
      - f. RSSAs
  - B. Nonobligating Agreements
    - a. Memoranda of Understanding
  - C. Implementation Orders
    - 1. IO/Ts
    - 2. IO/Cs
    - 3. IO/Ps
  - D. Implementation Letters
  - E. Results Frameworks and Associated Results Package Documents
  - F. Closeout Reports
  - G. Audits
  - H. Performance Monitoring documents
    - 1. Plans
    - 2. Results Reviews
    - 3. Supporting Documentation
    - 4. Evaluations
  - I. Budget Information
  - J. Resource Requests
  - K. Congressional Notifications
  - L. Waivers
  - M. Environmental Reviews
  - N. SO team delegations and membership lists
    - 1. Subteam information (as appropriate)
  - O. Statutory checklists
- II. General information, not SQ-specific
  - A. Strategic Plan
  - B. Management Contract
  - C. Customer Service Plan
  - D. Results Review and Resource Request
  - E. Obligating documents not related to one individual SO (e.g., contracts which include activities for two or more objectives)
  - F. Congressional Presentation
  - G. Audits
  - H. Performance Monitoring Plan (may be for the overall strategic plan, not just specific objectives)



202.6 Supplementary References (202.6.1 - 202.6.6 are reserved.)

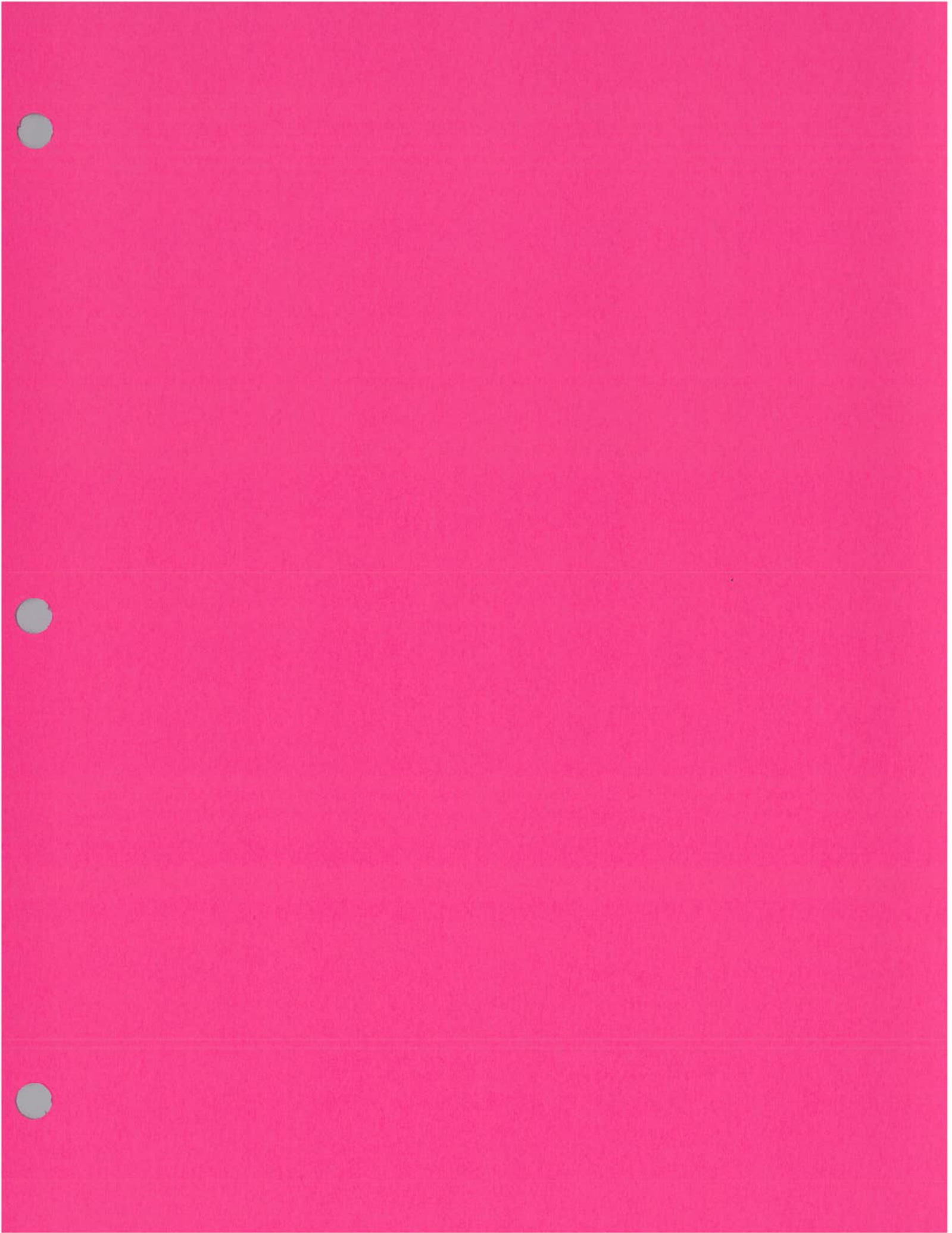
- 202.6.1 Team Development
- 202.6.2 Implementation Letters
- 202.6.3 Statutory Checklist Criteria
- 202.6.4 Analyses
  - 202.6.4a Financial Analysis
  - 202.6.4b Economic Analysis
  - 202.6.4c Social Soundness Analysis
  - 202.6.4d Administrative Analysis
  - 202.6.4e Environmental Analysis
  - 202.6.4f Technical Analysis
- 202.6.5 Developing and Monitoring Activities
- 202.6.6 Congressional Notification
- 202.6.7 Characteristics of Results Packages

Strategic objective teams create, modify and terminate results packages as required to meet changing circumstances pursuant to the achievement of the strategic objective. Thus, typically a results package will be of shorter duration than its associated strategic objective. Some of the characteristics of results packages include specification of:

- One or more results from the results framework which personnel assigned to the results package are tasked with producing;
- The set of activities and their respective agreements with USAID development partners and customers designed to achieve one or more results from the results framework;
- How activities will achieve the intended results including linkages between USAID, intermediaries and ultimate customers;
- Personnel, including appropriate USAID staff and representatives of partners and customers, with the knowledge and capacity needed to deliver the specified result(s);
- Responsibilities and authorities clearly defined with respect to the personnel assigned to the results package;

- Funding from USAID and partner organizations sufficient to carry out the activities required to deliver the specified results; and,

- Information on the elements identified above as well as how performance will be monitored and measured; current plans and status of activities and results achievement; agreements signed; implementation letters and other relevant correspondence; any analysis performed preceding, during or after completion of activities; and other documents related to key decisions the assigned personnel make in carrying out their responsibilities.



Major Functional Series 200 Program Assistance  
Chapter 203 Managing for Results: Monitoring and Evaluating Performance

203.1 Authority

203.2 Objective

203.3 Responsibilities

1. Bureau for Policy and Program Coordination (PPC)
2. Bureau for Management (M)
3. Office of General Counsel
4. Regional Bureau
5. Global Bureau (G)
6. Bureau for Humanitarian Response (BHR)
7. Operating Units
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201.4 Definitions

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- 203.5.1a Performance Monitoring
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- 203.5.3 Participation in Performance Monitoring and Evaluation
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- E203.5.4
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- E203.5.5(5) Data Quality
- 203.5.6 Evaluation
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- E203.5.6a Planning and Conducting Evaluations
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- E203.5.6a(2) Planning and Conducting Evaluations at the Overall Agency Level.
- E203.5.6a(3) The Focus and Purpose of Evaluations

- 203.5.6b Evaluation Follow-up and Documentation
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- 203.5.7 Other Sources of Information for Managing for Results
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- 203.5.8 Review of Performance Information
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- 203.5.9 Reporting and Disseminating Performance Information
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- E203.5.9c
- 203.5.9d Dissemination of Performance Findings
- 203.5.9e Special Requests for Performance Information
  
- 203.6 Supplementary References (Reserved)

### 203.1 Authorities

1. The Foreign Assistance Act (FAA) of 1961, as amended
2. The Government Performance and Results Act of 1993, Public Law 102-62 (GPRA)
3. Chief Financial Officers Act of 1990, Public Law 101-576 (November 15, 1990)
4. Government Management Reform Act of 1994, Public Law 103-356 (October 13, 1994)
5. Agricultural Trade and Development and Assistance Act of 1954, as amended (P.L. 480)
6. SEED Act of 1989
7. Federal Manager's Financial Integrity Act of 1982

### 203.2 Objective:

To establish the framework for monitoring and evaluating overall Agency and operating unit performance. Towards this end, to insure that the Agency and its operating units regularly collect and review data and information related to performance in order to continuously improve:

- the planning and implementation of development assistance;
- the effectiveness of management decisions and processes;
- the means by which the Agency learns through its experience;
- the ability of the Agency to meet accountability and reporting requirements.

### 203.3 Responsibilities

1. Bureau for Policy and Program Coordination (PPC): PPC is responsible for:
  - a) establishing Agency policy regarding strategic planning requirements;
  - b) developing and articulating the Agency's strategic plan and framework;
  - c) issuing annual planning guidance to include resource parameters and program priorities in a timely manner;
  - d) providing guidance on any special legislation which affects

strategic planning;

- e) reviewing and approving supplemental planning guidance issued by the operating bureaus;
- f) reviewing and concurring with operating unit strategic plans for conformance with Agency goals and program policies;
- g) conducting the Agency review of bureau budget submissions with the M Bureau;
- h) establishing and maintaining a monitoring system for Agency goals and objectives;
- i) coordinating the review of Agency performance, and reporting on that performance;
- j) providing technical leadership in developing Agency and operating unit performance monitoring and evaluation systems;
- k) evaluating the effectiveness of Agency program strategies and other strategies used by operating units to achieve objectives;
- l) conducting evaluations on issues related to the delivery of development assistance of interest to the Agency or its stakeholders;
- m) maintaining the Agency's database of development information and development experience and acting as a repository for Agency lessons learned; and
- n) supporting its operating units in achieving approved objectives, and reviewing annually those units' performance in achieving their objectives.

2. Bureau for Management (M): M is responsible for:

- a) analyzing the resource requirements necessary to meet Agency goals;
- b) establishing indicative budget planning levels for operating bureaus in a timely manner;
- c) reviewing and concurring with operating unit strategic plans for consistency with anticipated resource availability;
- d) conducting the Agency review of bureau budget submissions with PPC;
- e) ensuring that performance and results information are used in Agency resource allocation decision making;

- f) preparing the Agency's annual budget request for OMB and Congress;
  - g) monitoring budget implementation; and
  - h) assisting PPC with establishing and maintaining the monitoring system for Agency goals and objectives, and reviewing and reporting on overall Agency performance.
3. Office of General Counsel (GC): GC is responsible for:
- a) assuring that proposed activities are in compliance with all legal requirements;
  - b) assuring that such activities and their implementation were not in violation of any prohibitions against assistance; and
  - c) assuring that agreements with host countries, and other agreements as appropriate, meet the agency's requirements.
4. Regional Bureau: Each regional bureau is responsible for:
- a) providing oversight and support to operating units in the strategic planning process, ensuring that strategic plans are in place for each operating unit;
  - b) providing supplemental policy guidance addressing concerns unique to the region as necessary;
  - c) establishing indicative country levels for budget planning prior to the initiation of the strategic planning process and the annual results review and resource request (R4) submission;
  - d) managing the Agency review of strategic plans for operating units under its authority;
  - e) reviewing strategic plans from its operating units as well as those from Global Bureau (G) and Bureau for Humanitarian Response (BHR) operating units for consistency with regional priorities and geopolitical considerations;
  - f) approving country and regional strategic plans under its purview with concurrence from Management (M), Policy and Program Coordination (PPC), General Counsel (GC), BHR (as appropriate), and G;
  - g) providing an analytic overview of results in the region in conjunction with the annual bureau budget submission;
  - h) supporting its respective operating units overseas and, in USAID Washington (USAID/W), in achieving approved objectives, pursuant to the management contracts established following the review and approval of strategic plans;



- i) reviewing and assessing the performance of each of its operating units in achieving that unit's objectives;
- j) coordinating the participation in these reviews of PPC, M, G, and BHR; and
- k) participating in the review of overall Agency performance.

5. Global Bureau (G): G is responsible for:

- a) assisting overseas and USAID/W operating units by providing technical leadership and guidance in the development and review of strategic plans;
- b) organizing the provision to all operating units of central technical resources which are relevant to implementation of strategic plans;
- c) providing assistance to PPC in establishing and maintaining the monitoring system for Agency goals and objectives;
- d) participating in regional bureau reviews of field mission performance, and in the review of overall Agency performance;
- e) providing oversight and support to its own operating units in developing their strategic plans, ensuring appropriate consultation in this process with operating units in the field, managing the Agency review of those plans, and approving the plans with concurrence from M, PPC, GC, BHR (as appropriate) and regional bureaus; and
- f) supporting its operating units in achieving approved objectives, and reviewing (in consultation with PPC, M, BHR and regional bureaus) and reporting annually those units' performance in achieving their objectives.

6. Bureau for Humanitarian Response (BHR): BHR is responsible for:

- a) providing technical leadership and guidance in planning and implementation to all operating units in the area of humanitarian assistance, food aid, and programs which are in transition from relief to development as appropriate;
- b) reviewing operating unit strategic plans to assure humanitarian, disaster relief, food aid, and transitional concerns are appropriately addressed, and participating in other bureau reviews of their respective operating units' performance;
- c) organizing the provision of resources under its purview relevant to implementing strategic plans;
- d) providing oversight and support to its own operating units in developing their strategic plans;

- e) ensuring appropriate consultation with operating units in the field;
- f) managing the review and approval of strategic plans for operating units under its authority, with concurrence from M, PPC, GC, regional bureaus, and G; and
- g) providing an analytic overview of results in its programs in conjunction with the annual bureau budget submission.

7. Operating Units: Operating units are responsible for:

- a) developing strategic plans for program funds for which they have responsibility and authority;
- b) ensuring the participation of other interested USAID offices, partners and customers throughout planning, achieving and performance monitoring and evaluating;
- c) within the scope of its management contract, delegated authorities, and Agency directives, managing the implementation of the strategic plan, including establishing and defining authorities for strategic objective teams, achieving the objective(s) set forth in the plan, and reviewing performance and reporting annually on that performance to their respective bureaus;
- d) during the course of implementation, ensuring that their strategic objective teams gather and use performance information to manage for results, and that adequate resources are programmed for performance monitoring and evaluation.

8. Strategic Objective Team: A strategic objective (SO) team is responsible for managing to achieve a specific strategic objective under the direction of an operating unit. The SO team's specific responsibilities include:

- a) establishing its internal operating rules and procedures (consistent with its delegated authorities);
- b) involving customers and partners in collecting, reviewing and interpreting performance information, and assuring that agreed-to customer needs are addressed through activities being implemented;
- c) grouping, as appropriate, results and associated activities from the SO's results framework into results packages (and regrouping as necessary);
- d) allocating resources associated with achieving the objective;
- e) developing and implementing (within subteams if appropriate)

necessary and effective activities, contracts, grants and other agreements;

f) monitoring, analyzing and reporting on performance against established performance criteria, and taking corrective action as necessary;

g) using evaluative activities to determine why assistance is or is not achieving intended results;

h) recommending to the operating unit any changes to an objective or the strategic plan;

i) preparing appropriate close-out reports, including resources expended, accomplishments achieved and lessons learned;

j) with respect to the strategic objective team leader, organizing, coordinating, coaching and inspiring the team to achieve the set of results leading to the strategic objective; and

k) with respect to each strategic objective team member, advancing a common team effort to achieve the strategic objective assigned to the team, and implementing his or her specific responsibilities and authorities on that team.

#### 203.4 Definitions

1. Activity: An action undertaken either to help achieve a program result or set of results, or to support the functioning of the Agency or one of its operating units. In a program context, i.e., in the context of results frameworks and strategic objectives, an activity may include any action used to advance the achievement of a given result or objective, whether financial resources are used or not. E.g., an activity could be defined around the work of a USAID staff member directly negotiating policy change with a host country government, or it could involve the use of one or more grants or contracts to provide technical assistance and commodities in a particular area. (Also within this context, for the purposes of the New Management Systems [see definition], "activity" includes the strategic objective itself as an initial budgeting and accounting element to be used before any specific actions requiring obligations are defined.) In an operating expense context, an activity may include any action undertaken to meet the operating requirements of any organizational unit of the Agency.

2. Activity Manager: That member of the strategic objective or results package team designated by the team to manage a given activity or set of activities.

3. Agency Goal: A long-term development result in a specific area to which USAID programs contribute and which has been identified as a specific goal by the Agency. (See also Operating Unit Goal.)

4. Agency Mission: The ultimate purpose of the Agency's programs; it

is the unique contribution of USAID to our national interests. There is one Agency mission.

5. Agency Objective: A significant development result that USAID contributes to, and which contributes to the achievement of an Agency goal. Several Agency objectives contribute to each Agency goal. Changes in Agency objectives are typically observable only every few years.

6. Agency Program Approach: A program or tactic identified by the Agency as commonly used to achieve a particular objective. Several program approaches are associated with each Agency objective.

7. Agency Strategic Plan: The Agency's plan for providing development assistance; the strategic plan articulates the Agency's mission, goals, objectives, and program approaches.

8. Agency Strategic Framework: A graphical or narrative representation of the Agency's strategic plan; the framework is a tool for communicating USAID's development strategy. The framework also establishes an organizing basis for measuring, analyzing, and reporting results of Agency programs.

9. Agent: An individual or organization under contract with USAID.

10. Agreement: An agreement is the formal mutual consent of two or more parties. The Agency employs a variety of agreements to formally record understandings with other parties, including grant agreements, cooperative agreements, strategic objective agreements, memorandum of understanding, contracts and limited scope grant agreements. In most cases, the agreement identifies the results to be achieved, respective roles and contributions to resource requirements in pursuit of a shared objective within a given time frame.

11. Assistance Mechanism: A specific mode of assistance chosen to address an intended development result. Examples of mechanisms include: food aid, housing guaranties, debt-for-nature swaps, endowments, cash transfers, etc.

12. Baseline: See Performance Baseline.

13. Causal Relationship: A plausible cause and effect linkage; i.e. the logical connection between the achievement of related, interdependent results.

14. Critical Assumption: In the context of developing a results framework, critical assumptions refer to general conditions under which a development hypothesis will hold true or conditions which are outside of the control or influence of USAID, and which are likely to affect the achievement of results in the results framework. Examples might be: the ability to avert a crisis caused by drought, the outcome of a national election, or birth rates continuing to decline as it relates to an education program. A critical assumption differs from an intermediate

result in the results framework in the sense that the intermediate result represents a focused and discrete outcome which specifically contributes to the achievement of the SO.

15. Customer: An individual or organization who receives USAID services or products, benefits from USAID programs or who is affected by USAID actions.

15a Intermediate Customer: A person or organization, internal or external to USAID, who uses USAID services, products, or resources to serve indirectly or directly the needs of the ultimate customers.

15b Ultimate Customer: Host country people who are end users or beneficiaries of USAID assistance and whose participation is essential to achieving sustainable development results.

16. Customer Representative: Any individual or organization that represents the interests of those individuals, communities, groups or organizations targeted for USAID assistance.

17. Customer Service Plan: A document which presents the operating unit's vision for including customers and partners to achieve its objectives. This document also articulates the actions necessary to engage participation of its customers and partners in planning, implementation and evaluation of USAID programs and objectives.

18. Customer Surveys: Surveys (or other strategies) designed to elicit information about the needs, preferences, or reactions of customers regarding an existing or planned activity, result or strategic objective.

19. Development Experience: The cumulative knowledge derived from implementing and evaluating development assistance programs. Development experience is broader in scope than "lessons learned", and includes research findings, applications of technologies and development methods, program strategies and assistance mechanisms, etc.

20. Development Information: The body of literature and statistical data which documents and describes the methods, technologies, status and results of development practices and activities and measures levels of development on a variety of dimensions.

21. Evaluation: A relatively structured, analytic effort undertaken selectively to answer specific management questions regarding USAID-funded assistance programs or activities. In contrast to performance monitoring, which provides ongoing structured information, evaluation is occasional. Evaluation focuses on why results are or are not being achieved, on unintended consequences, or on issues of interpretation, relevance, effectiveness, efficiency, impact, or sustainability. It addresses the validity of the causal hypotheses underlying strategic objectives and embedded in results frameworks. Evaluative activities may use different methodologies or take many different forms, e.g., ranging from highly participatory review workshops to highly focused

assessments relying on technical experts.

22. **Global Programs or Activities:** Global programs or activities refer to USAID programs or activities which take place across various regions, (i.e. they are trans-regional in nature). These types of programs are most often managed by central operating bureaus such as BHR or the G Bureau.

23. **Goal:** See Operating Unit Goal or Agency Goal.

24. **Implementation Letters:** Formal correspondence, numbered sequentially, between USAID and public sector entities pursuant to a duly signed agreement.

25. **Indicator:** See Performance Indicator.

26. **Input:** The provision of technical assistance, commodities, capital or training in addressing development or humanitarian needs.

27. **Interim Performance Target:** A target value which applies to a time period less than the overall time period related to the respective performance indicator and performance target.

28. **Intermediate Result:** A key result which must occur in order to achieve a strategic objective.

29. **Joint Planning:** A process by which an operating unit actively engages and consults with other relevant and interested USAID offices in an open and transparent manner. This may occur through participation on teams or through other forms of consultation.

30. **Lesson Learned:** The conclusions extracted from reviewing a development program or activity by participants, managers, customers or evaluators with implications for effectively addressing similar issues/problems in another setting.

31. **Limited Scope Grant Agreement:** The Limited Scope Grant Agreement (LSGA) is similar to the Strategic Objective Agreement but is shorter in length. It is used for obligating funds for a small activity or intervention; e.g., participant training or PD&S. Model agreements, including the LSGA, can be found in the Series 300 directives.

32. **Manageable Interest:** See Responsibility

33. **Management Contract:** The management contract consists of the strategic plan (including a strategic objectives and supporting results frameworks) together with official record of the guidance emerging from the review of the plan. The management contract provides; a summary of agreements on a set of strategic and other objectives, confirmation of estimated resources over the strategy period, delegations of authority, and an overview of any special management concerns.

34. **Memorandum or Letter of Understanding:** A memorandum of

understanding or letter of understanding (not used for obligating funds) sets forth the understandings of the parties regarding the objective, results to be achieved and the respective roles and responsibilities of each party in contributing toward the achievement of a given result or objective. It is particularly useful when USAID wishes to obligate through individual grants and contracts, without host government participation in those actions, but still wishes to make the host government a partner in writing to the program or activity and each party's obligations. It specifically provides for USAID implementation in the manner noted above.

35. **New Management Systems:** The set of management software developed to support Agency functions in the areas of accounting, budgeting, planning, achieving, performance monitoring and evaluation, assistance and acquisition, human resource management and property management.

36. **Objective:** See Agency Objectives.

37. **Obligation:** In the event of a strategic objective agreement with a host country government, that agreement is normally the obligating agreement (unless a non-obligating MOU is used) and all grants to and contracts with private entities thereunder are subobligating agreements. If there is no strategic objective agreement, whether or not a non-obligating MOU is used, all grants to and contracts with private entities become obligating agreements.

38. **Operating Unit:** USAID field mission or USAID/W office or higher level organizational unit which expends program funds to achieve a strategic objective, strategic support objective, or special objective, and which has a clearly defined set of responsibilities focussed on the development and execution of a strategic plan.

39. **Operating Unit Goal:** A higher level development result to which an operating unit contributes, but which lies beyond the unit's level of responsibility. An operating unit goal is a longer term development result that represents the reason for achieving one or more objectives in an operating unit strategic plan. An operating unit goal may be identical to an Agency goal, but is normally distinguished from it in several key ways. An Agency goal is a long-term general development objective, in a specific strategic sector, that USAID works toward, and represents the contribution of Agency programs working in that sector. An operating unit goal is optional and represents a long-term result in a specific country or program to which an operating unit's programs contribute, and may cross sector boundaries.

40. **Output:** The product of a specific action, e.g., number of people trained, number of vaccinations administered.

41. **Parameter:** A given framework or condition within which decision making takes place (i.e. Agency Goals, earmarks, legislation, etc).

42. **Participation:** The active engagement of partners and customers in sharing ideas, committing time and resources, making decisions, and

taking action to bring about a desired development objective.

43. **Partner:** An organization or customer representative with which/whom USAID works cooperatively to achieve mutually agreed upon objectives and intermediate results, and to secure customer participation. Partners include: private voluntary organizations, indigenous and other international non-government organizations, universities, other USG agencies, U.N. and other multilateral organizations, professional and business associations, private businesses (as for example under the U.S.-Asia Environmental Partnership), and host country governments at all levels.

44. **Partner Representative:** An individual that represents an organization with which USAID works cooperatively to achieve mutually agreed upon objectives.

45. **Partnership:** An association between USAID, its partners and customers based upon mutual respect, complementary strengths, and shared commitment to achieve mutually agreed upon objectives.

46. **Performance Baseline:** The value of a performance indicator at the beginning of a planning and/or performance period. A performance baseline is the point used for comparison when measuring progress toward a specific result or objective. Ideally, a performance baseline will be the value of a performance indicator just prior to the implementation of the activity or activities identified as supporting the objective which the indicator is meant to measure.

47. **Performance Indicator:** A particular characteristic or dimension used to measure intended changes defined by an organizational unit's results framework. Performance indicators are used to observe progress and to measure actual results compared to expected results. Performance indicators serve to answer "whether" a unit is progressing towards its objective, rather than why/why not such progress is being made. Performance indicators are usually expressed in quantifiable terms, and should be objective and measurable (numeric values, percentages, scores and indices). Quantitative indicators are preferred in most cases, although in certain circumstances qualitative indicators are appropriate.

48. **Performance Information:** The body of information and statistical data that directly relates to performance towards overall USAID goals and objectives, as well as operating unit strategic objectives, strategic support objectives and special objectives. Performance information is a product of formal performance monitoring systems, evaluative activities, customer assessments and surveys, Agency research and informal feedback from partners and customers.

49. **Performance Monitoring:** A process of collecting and analyzing data to measure the performance of a program, process, or activity against expected results. A defined set of indicators is constructed to regularly track the key aspects of performance. Performance reflects effectiveness in converting inputs to outputs, outcomes and impacts



(i.e., results).

50. Performance Monitoring Plan: A detailed plan for managing the collection of data in order to monitor performance. It identifies the indicators to be tracked; specifies the source, method of collection, and schedule of collection for each piece of datum required; and assigns responsibility for collection to a specific office, team, or individual. At the Agency level, it is the plan for gathering data on Agency goals and objectives. At the Operating Unit level, the performance monitoring plan contains information for gathering data on the strategic objectives, intermediate results and critical assumptions included in an operating unit's results frameworks.

51. Performance Monitoring System: An organized approach or process for systematically monitoring the performance of a program, process or activity towards its objectives over time. Performance monitoring systems at USAID consist of, inter alia: performance indicators, performance baselines and performance targets for all strategic objectives, strategic support objectives, special objectives and intermediate results presented in a results framework; means for tracking critical assumptions; performance monitoring plans to assist in managing the data collection process, and; the regular collection of actual results data

52. Performance Target: The specific and intended result to be achieved within an explicit timeframe and against which actual results are compared and assessed. A performance target is to be defined for each performance indicator. In addition to final targets, interim targets also may be defined.

53. Portfolio: The sum of USAID-funded programs being managed by a single operating unit.

54. Rapid, Low-cost Evaluations: Analytic or problem-solving efforts which emphasize the gathering of empirical data in ways that are low-cost, timely, and practical for management decision making. Methodological approaches include mini-surveys, rapid appraisals, focus groups, key informant interviews, observation, and purposive sampling, among others.

55. Responsibility: In the context of setting strategic objectives, responsibility refers to a guiding concept which assists an operating unit in determining the highest level result that it believes it can materially affect (using its resources in concert with its development partners) and that it is willing to use as the standard for the judgement of progress. This has also been referred to as "manageable interest."

56. Result: A change in the condition of a customer or a change in the host country condition which has a relationship to the customer. A result is brought about by the intervention of USAID in concert with its development partners. Results are linked by causal relationships, i.e. a result is achieved because related, interdependent result(s) were

achieved. Strategic objectives are the highest level result for which an operating unit is held accountable; intermediate results are those results which contribute to the achievement of a strategic objective.

57: Results Framework: The results framework represents the development hypothesis including those results necessary to achieve a strategic objective and their causal relationships and underlying assumptions. The framework also establishes an organizing basis for measuring, analyzing, and reporting results of the operating unit. It typically is presented both in narrative form and as a graphical representation.

58. Results Package: A results package (RP) consists of people, funding, authorities, activities and associated documentation required to achieve a specified result(s) within an established time frame. An RP is managed by a strategic objective team (or a results package team if established) which coordinates the development, negotiation, management, monitoring and evaluation of activities designed consistent with: (1) the principles for developing and managing activities; and (2) achievement of one or more results identified in the approved results framework. The purpose of a results package is to deliver a given result or set of results contributing to the achievement of the strategic objective.

The strategic objective team will define one or more RPs to support specific results from the results framework. The SO team may elect to manage the package or packages itself, or may create one or more subteams to manage RPs. In addition, strategic objective teams create, modify and terminate results packages as required to meet changing circumstances pursuant to the achievement of the strategic objective. Thus, typically a results package will be of shorter duration than its associated strategic objective.

59. Results Package Data Base: A results package data base consists of the data and information related to the actions, decisions, events, and performance of activities under a results package.

60. Results Review and Resource Request (R4): The document which is reviewed internally and submitted to USAID/W by the operating unit on an annual basis. The R4 contains two components: the results review and the resource request. Judgement of progress will be based on a combination of data and analysis and will be used to inform budget decision making.

61. Review Workshops: Workshops which involve key participants in an SO/RP or even a particular element of an RP in collectively evaluating performance during the previous implementation period and planning for the forthcoming period. Participants are normally representatives of partners, customers, counterparts, other donors, stakeholders, and USAID. Successful workshops are often facilitated to assure that all perspectives are heard and that key findings and conclusions and consensus on modifications and plans is documented and distributed.

62. Special Objective: The result of an activity or activities which do not qualify as a strategic objective, but support other US government assistance objectives. A special objective is expected to be small in scope relative to the portfolio as a whole.

63. Stakeholders: Individuals and/or groups who have an interest in and influence USAID activities, programs and objectives.

64. Strategic Objective: The most ambitious result (intended measurable change) that a USAID operational unit, along with its partners, can materially affect and for which it is willing to be held responsible. The strategic objective forms the standard by which the operational unit is willing to be judged in terms of its performance. The time-frame of a strategic objective is typically 5-8 years for sustainable development programs, but may be shorter for programs operating under short term transitional circumstances or under conditions of uncertainty.

65. Strategic Objective Agreement: A formal agreement that obligates funds between USAID and the host government or other parties, setting forth a mutually agreed upon understanding of the time frame, results expected to be achieved, means of measuring those results, resources, responsibilities, and contributions of participating entities for achieving a clearly defined strategic objective. Such an agreement between USAID and the host government may allow for third parties (e.g., NGOs) to enter into sub-agreements with either USAID or the host government or both to carry out some or all of the activities required to achieve the objective. (Details in Series 300.)

66. Strategic Plan: The framework which an operating unit uses to articulate the organization's priorities, to manage for results, and to tie the organization's results to the customer/beneficiary. The strategic plan is a comprehensive plan which includes the delimitation of strategic objectives and a description of how it plans to deploy resources to accomplish them. A strategic plan is prepared for each portfolio whether it is managed at a country level, regionally, or centrally.

67. Strategic Support Objective: Strategic support objectives are intended to capture and measure a regional or global development objective which is dependent on the results of other USAID operating units to achieve the objective but to which a global or regional program makes an important contribution. Therefore, the key differentiation from a strategic objective, as defined above, is that there is a recognition that the achievement of the objective is accomplished and measured, in part, through the activities and results at the field mission level.

68. Subgoal: A higher level objective which is beyond of the operating unit's responsibility but which provides a link between the strategic objective and the operating unit goal. Inclusion in operating unit plans is optional.

69. Strategic Objective Team: In general, a team is a group of people committed to a common performance goal for which they hold themselves individually and collectively accountable. Teams can include USAID employees exclusively or USAID and partner and customer representatives. An SO team is a group of people who are committed to achieving a specific strategic objective and are willing to be held accountable for the results necessary to achieve that objective. The SO team can establish subsidiary teams for a subset of results or to manage a results package.

69a. Core Team: U.S. government employees and others who may be authorized to carry out inherently U.S. governmental functions such as procurement actions or obligations. For example, only members of the core team would manage procurement sensitive materials or negotiate formal agreements.

69b. Expanded Team: U.S. government employees and partner and customer representatives committed to achieving the strategic objective.

69c. Virtual Team: Members of a team who are not collocated and therefore participate primarily through telecommunication systems.

70. Target: See Performance Target.

71. U.S. National Interest: A political/strategic interest of the United States that guides the identification of recipients of foreign assistance and the fundamental characteristics of development assistance.

72. Value Engineering: A management technique using a systematized approach to seek out the best functional balance between the cost, reliability, and performance of an activity or process, with a particular focus on the identification and elimination of unnecessary costs. VE/VA can be used both in the design stage and as an evaluation tool.

## 203.5 Policy & E203.5 Essential Procedures

### 203.5.1 Core Monitoring and Evaluation Policy

In order to effectively manage for results, the Agency shall regularly collect, review and use information on its performance. At both the overall Agency and operating unit level, this information shall play a critical role in planning and management decisions and will be derived from formal performance monitoring systems, evaluative activities and other relevant sources.

#### 203.5.1a Performance Monitoring

Performance monitoring shall focus on whether and to what extent objectives at both the operating unit and Agency level are being achieved. At the operating unit, strategic objective teams shall establish performance monitoring systems to regularly collect and

analyze data which will enable them to track performance and objectively report on their progress in achieving strategic objectives and intermediate results. SO teams and activity managers shall also track inputs, outputs and processes to insure activities are proceeding as expected and are contributing to intermediate results and strategic objectives as anticipated (refer to Supplementary Reference 203.6.6 for further discussion on designing performance monitoring systems).

The Agency shall establish performance monitoring systems at the Agency level which enable it to track, review and report on overall progress toward the Agency's goals and objectives outlined in the Agency strategic framework. (See also, 203.5.5 through 203.5.5d for more information on performance monitoring.)

#### 203.5.1b Evaluation

Evaluation shall be used to ascertain why unexpected progress, positive or negative, is being made towards a planned result. When performance monitoring systems or other feedback mechanisms at the operating unit indicate that expected results are not being achieved, SO teams shall seek to determine the reason, usually through the use of one or more evaluative activities. Evaluation shall also be used to explore issues related to sustainability and customer focus.

At the Agency level, evaluation shall be a principal vehicle for extracting cross-cutting lessons from operating unit experiences and determining the need for modifications to the Agency strategic framework. (See also, 203.5.6 through 203.5.6b for more information on evaluations.)

(Refer to Supplementary Reference 203.6.18 for further discussion regarding the use of evaluation in USAID.)

#### 203.5.1c Other Sources of Information

The Agency and its operating units shall seek and use other relevant sources of information to improve their understanding of performance and to inform planning and management decisions. Both formal (Agency research findings, customer surveys, experience of other development organizations) and informal (unstructured feedback from customers and partners, site visits) sources shall be considered. (See also, 203.5.7.)

#### E203.5.1 Core Monitoring and Evaluation Policy - N/A

#### 203.5.2 Using Information to Manage for Results

The Agency, operating units and SO teams must remain informed of all aspects of performance relating to USAID-funded assistance in order to effectively manage for results. Performance monitoring information, evaluation findings and information from additional formal and informal sources shall be used regularly throughout planning and management processes. Specifically, operating units and SO teams shall use such

information to:

- improve the performance, effectiveness, and design of existing development assistance activities;
- revise Agency or operating unit strategies where necessary;
- plan new strategic objectives, results packages and/or activities;
- inform decisions whether to abandon Agency program strategies, strategic objectives or results packages which are not achieving intended results; and,
- document findings on the impact of development assistance.

(Refer to Supplementary Reference 203.6.31)

E203.5.2 Using Information to Manage for Results - N/A

203.5.3 Participation in Performance Monitoring and Evaluation

Operating units and SO teams shall involve USAID customers and partners in planning approaches to monitoring performance, in planning and conducting evaluative activities, as well as in collecting, reviewing and interpreting performance information.

At the agency level, USAID shall involve stakeholders and partner development organizations in the examination of overall agency performance and development information.

203.5.3a Building Performance Monitoring and Evaluation Capacity

The Agency and its operating units shall attempt to build performance monitoring and evaluation capacity within recipient developing countries. Operating units shall integrate, wherever feasible, performance monitoring and evaluation activities with similar processes of host countries and other donors.

203.5.3b Information Sharing

Whenever feasible and appropriate, the Agency and its operating units shall participate in networks for exchange and sharing of development experience and development information resources with development partners, host country development practitioners, researchers and other donors.

(Refer to Supplementary Reference 203.6.4 for additional information on partner and customer participation).

E203.5.3 Participation in Performance Monitoring and Evaluation - N/A

203.5.4 Resources for Performance Monitoring and Evaluation

Operating units and SO teams, when budgeting for strategic objectives and/or results packages, shall insure that sufficient and adequate resources (funding and personnel) are allocated to performance monitoring and evaluation activities. The Agency shall insure that adequate resources are allocated to and used in performance monitoring and evaluation functions. (See also, E203.5.4)

#### E203.5.4 Resources for Performance Monitoring and Evaluation

When budgeting for strategic objective and results packages, teams must allow adequate funds for performance monitoring and evaluation. A target range for resource levels dedicated to monitoring and evaluation functions in SOs and RPs is 3% to 10% of the overall budget. However, factors unique to each SO/RP may lead to a decision to budget above or below that range.

Operating units and strategic objective teams are responsible for collecting information for managing for results in a cost-effective manner (consideration of cost-effectiveness issues related to data collection shall begin during the strategic planning process). If anticipated costs appear prohibitive, consideration shall be given to:

- modifying performance indicators to permit less expensive approaches to regular data collection;
- modifying the approach/design of evaluative activities, considering rapid, low cost alternatives, or;
- modifying the relevant strategic objective or intermediate result, since it is not possible to judge progress at reasonable costs.

(Refer to Supplementary Reference 203.6.5 for additional information on resources for performance monitoring and evaluation).

#### 203.5.5 Performance Monitoring

The Agency and its operating units shall establish and maintain performance monitoring systems that regularly collect data which enable the assessment of progress towards achieving results. Operating unit performance monitoring systems shall track performance at both the results framework level and the activity level. Performance monitoring systems at the Agency level shall track progress towards overall Agency goals and objectives. (See also, E203.5.5.)

(Refer to Supplementary Reference 203.6.6 for further discussion on designing performance monitoring systems.)

#### 203.5.5a Operating unit: Results Framework-Level Performance Monitoring

The development of performance monitoring systems at the results framework level begins during the strategic planning process. At that time, operating units shall specify preliminary performance indicators

and performance targets for the strategic objectives, strategic support objectives and intermediate results presented in their results frameworks (see also Strategic Planning E201.5.10, Part II,C(7)). Following approval of their strategic plans, operating units and SO teams shall complete and operationalize their performance monitoring systems by doing the following:

- Confirm and/or modify the set of performance indicators initially defined in the operating unit's strategic plan. Performance indicators must be defined for all strategic objectives, strategic support objectives and intermediate results in the results framework that are directly supported by USAID funds. A final working set of performance indicators must be defined prior to submission of the R4 that immediately follows approval of a strategic plan. (for subsequent modification of performance indicators refer to Strategic Planning, essential procedures E201.5.14 and E201.5.15);
- Validate and/or modify the performance baselines and targets initially defined in the operating unit's strategic plan. Performance baselines and targets shall be established for each performance indicator. A final working set of performance baselines and targets must be defined prior to submission of the R4 that immediately follows approval of a strategic plan. (for subsequent modification of baselines and targets, refer to Strategic Planning, essential procedures E201.5.14 and E201.5.15 and; for guidance on performance baselines and interim and final performance targets, see Supplementary References 203.6.8 and 203.6.9, respectively);
- Define means or approach to be used in monitoring both the results supported by development partners and critical assumptions identified in the results framework (refer to Supplementary Reference 203.6.10);
- Complete and periodically update a performance monitoring plan that provides details necessary for collecting relevant performance data and information (see also, Strategic Planning 201.5.7);
- Collect "actual results" data for each performance indicator on a regular basis (refer to Supplementary Reference 203.6.13 for additional information on performance monitoring data collection);
- Collect information on both the results supported by development partners and the status of critical assumptions on a regular basis.

(See also, E203.5.5 through E203.5.5(4).)

203.5.5b Operating Unit: Special Objectives, Exceptions and Special Cases

Operating unit performance monitoring systems shall address special



objectives as well as special or exceptional programs, including emergency programs, small country programs and special foreign policy programs (see also, Strategic Planning 201.5.3e). To the extent possible, performance monitoring guidelines established for strategic objectives, strategic support objectives, intermediate results and activities shall be followed (see also, 203.5.5a and 203.5.5c). If it is impractical or inappropriate to follow these guidelines, operating units shall develop alternative approaches to monitoring the performance of these programs and present them to their respective bureaus for approval.

203.5.5c Operating Unit: Activity-Level Monitoring

SO teams and/or activity managers shall regularly collect data on inputs, outputs and processes to insure that activities are proceeding as expected and are contributing to relevant intermediate results, strategic objectives and strategic support objectives as anticipated. Activity level data shall be collected at intervals consistent with the management needs of the SO team and/or activity manager (refer to Supplementary Reference 203.6.16 for additional information on activity monitoring).

203.5.5d Development Monitoring at the Overall Agency Level

The Agency shall monitor Agency performance by tracking progress towards Agency goals and objectives, and by analyzing operating unit performance information within the context of the Agency strategic framework. PPC, in conjunction with other bureaus and operating units, as appropriate, shall insure that progress towards Agency goals and objectives is monitored regularly by:

- developing performance indicators, including Agency-wide common indicators, for each Agency goal and objective and validating the utility and appropriateness of these indicators periodically;
- preparing and updating a performance monitoring plan that provides information necessary for regularly collecting data on the performance indicators identified for each Agency goal and objective;
- collecting data for each performance indicator of Agency goals and objectives on a regular basis.

(See also, E203.5.5 through E203.5.5(4).)

203.5.5e Quality of Performance Data

The Agency and its operating units shall, at regular intervals, critically assess the data they are using to monitor performance to insure they are of reasonable quality and accurately reflect the process or phenomenon they are being used to measure. (See also, E203.5.5(5).)

#### E203.5.5 Performance Monitoring

The Agency and its operating units shall establish performance monitoring systems which meet Agency standards for: developing performance indicators and baselines, managing and documenting the data collection process and ensuring the quality of performance data.

##### E203.5.5(1) Performance Indicators

The Agency and its operating units shall define performance indicators for which quality data are available at intervals consistent with management needs and that are direct, objective, practical and unidimensional (refer to Supplementary Reference 203.6.7 for definitions of these attributes and more information on performance indicators).

Quantitative performance indicators are preferred and shall be used in most cases. If qualitative indicators are used, they must be defined so as to permit regular, systematic and relatively objective judgement regarding change in the "value" or status of the indicator.

When identifying performance indicators, operating units will consider "common" indicators that have been identified for each sector and that have been derived from Agency experience and best practices. Use of these "common" indicators by operating units is not required.

##### E203.5.5(2) Performance Monitoring Plans

Performance monitoring plans shall be prepared for the Agency strategic framework and for each operating unit's strategic plan. Information included in a performance monitoring plan shall enable comparable performance data to be collected over time, even in the event of staff turnover, and shall clearly articulate expectations in terms of schedule and responsibility. Specifically, performance monitoring plans shall provide a detailed definition of the performance indicators that will be tracked; specify the source, method of collection and schedule of collection for all required data; and assign responsibility for collection to a specific office, team or individual (refer to Supplementary Reference 203.6.11 for Agency guidelines on the development of performance monitoring plans).

Performance monitoring plans are one element of a performance monitoring system and function as critical tools for managing and documenting the data collection process. The review of operating unit performance monitoring plans by central or regional bureaus is not required.

(See also, Strategic Planning 201.5.13.)

##### E203.5.5(3) Establishing Performance Baselines

To the extent possible, performance baseline data should be included with an operating unit's strategic plan when it is submitted for review. If it is not possible, practical or cost effective to do so, operating units will have until submission of their next R4 to establish a

baseline. If data for a performance indicator prove to be unavailable or too costly to collect, the indicator may need to be changed.

Performance baselines will reflect, as near as possible, the value of each performance indicator at the commencement of USAID-supported activities that contribute to the achievement of the relevant strategic element (i.e., Agency goal or objective, strategic objective, strategic support objective or intermediate result). This is consistent with the purpose and process of performance monitoring, both of which focus on performance over a very specific planning or performance period (refer to Supplementary Reference 203.6.8 for a discussion of related topics, including the utility of historical data that predate a performance baseline).

#### E203.5.5(4) Collection of Performance Data: Frequency and Standards

Specific timeframes and standards shall be applied when collecting performance data.

a) For performance indicators: Comparable data for all performance indicators of strategic objectives and USAID-funded intermediate results, as well as for strategic support objectives, shall be collected and reviewed on a regular basis (comparability refers to tracking a performance indicator over time, not to comparison across strategic objectives or operating units).

- To the extent possible, some comparable data for each strategic objective, strategic support objective and special objective shall be collected annually. That is, where possible, data for at least one performance indicator (the same indicator) shall be collected every year for each strategic objective, strategic support objective and special objective.

- To the extent possible, some comparable data for each USAID-funded intermediate result shall also be collected annually. However, annual collection is not required until the point in time at which progress towards the intermediate result is anticipated to begin.

- For performance indicators for which annual data collection is not practical, operating units will collect data regularly, but at longer time intervals.

- To the extent possible, the principles described for performance indicators at the operating unit level shall be applied to the performance indicators of Agency goals and objectives.

(Refer to Supplementary Reference 203.6.13 for additional information on collecting performance monitoring data.)

b) For critical assumptions and results supported by development partners: The frequency of data collection, as well as the level

of detail and degree of comparability of the data collected, shall be determined by the SO team. The data collection process for monitoring critical assumptions and results supported by development partners is generally not expected to be as rigorous or systematic as the data collection process for monitoring performance indicators of SOs and USAID-funded results. However, the information collected must be at a level of detail and quality that insures the SO Team has an accurate understanding of the progress being made toward each partner-supported intermediate result and whether each critical assumption continues to hold (refer to Supplementary Reference 203.6.10 for additional information on monitoring critical assumptions and non-USAID funded intermediate results).

c) For multi-country strategic objectives: To the extent possible, comparable data for all strategic objectives that encompass more than one country shall be collected and reviewed on a regular basis. Where possible, data for at least one performance indicator (the same indicator) at the strategic objective level shall be collected across all countries represented by the SO. To the extent possible, data shall also be collected for all performance indicators of USAID-funded intermediate results in every country with activities relevant to the given intermediate result.

Data shall be collected for performance indicators of multi-country strategic objectives and USAID-funded intermediate results at a frequency that is determined by management needs and practical considerations. Annual collection of some comparable data for both strategic objectives and intermediate results is ideal, although it may only be practical to collect such data at longer intervals.

d) For special objectives, exceptions and special cases: When collecting data on the performance of special objectives or special or exceptional programs (see Strategic Planning, 201.5.5d, Exceptions and Special Cases, and 201.5.10c, Special Objectives), operating units shall attempt to follow guidelines relating to periodicity and comparability that have been established for performance indicators (see (a) above). If it is impractical or inappropriate to follow these guidelines, operating units shall develop alternatives that will insure they have an accurate understanding of the performance of these special objectives and programs.

#### E203.5.5(5) Data Quality

Data quality will be assessed as part of the process of establishing performance indicators and choosing data collection sources and methods. Data quality will be reassessed as is necessary, but at intervals of no greater than three years. Whenever possible, reasonable standards of statistical reliability and validity should be applied, although in many cases it will not be appropriate or possible to meet these standards

(refer to Supplementary Reference 203.6.14 for additional information on means to ensure data quality).

#### 203.5.6 Evaluation

As an ongoing part of planning and managing development assistance, the Agency, its operating units, and the teams managing development assistance shall use evaluative activities as needed. Evaluation activities shall be utilized, when information from other sources is insufficient to provide the needed insight, to:

- assess why unexpected progress, either positive or negative, towards planned results is occurring;
- determine whether conditions for sustainability related to USAID assistance exist;
- re-examine or test, when necessary, the validity of hypotheses and assumptions embedded in strategic objectives and results frameworks;
- determine whether the needs of intended customers are being served;
- identify, probe, and understand positive and negative unintended consequences or impacts of assistance programs;
- distill "lessons learned" which may be useful elsewhere in the Agency; and,
- assess the effectiveness of Agency strategies across countries and within sectors. (See also, 203.5.1b.)

#### E203.5.6 Evaluation - N/A

#### 203.5.6a Planning and Conducting Evaluations

A decision to carry out an evaluative activity shall be driven primarily by management need. Evaluations are not required as a matter of formality. If they will serve no management need and will not be used, evaluations shall not be conducted.

When planning an evaluation at any level, the cost of evaluation must be justified by the management value of the information it will generate. If the information an evaluation is intended to produce is not critical, an expensive evaluation is not justified. Alternatives shall be considered, such as low-cost methods, narrowing the scope, or reassessing the need for the evaluation.

SO Teams shall include customers and partners in planning and conducting evaluative activities. Consideration shall be given to utilizing evaluation methodologies and data collection methods which allow for maximum participation. (See also 203.5.3, Participation in Performance

Monitoring and Evaluation; refer to Supplementary References 203.6.4, 203.6.21 and 203.6.22 for more information on participation in evaluations.)

The Agency shall include direct-hire employees in evaluations, where feasible and where operating expense resources are available, to maximize the Agency's learning from its own experience. Care must be taken in selecting either Agency direct-hire employees or contractors as evaluation team members to avoid any conflict of interest related to the purpose of the evaluation.

(See also, E203.5.6a through E203.5.6a(3).)

#### E203.5.6a Planning and Conducting Evaluations

The Agency and its operating units shall seek to address specific questions and issues when planning and conducting evaluations.

##### E203.5.6a(1) The Decision to Evaluate at the Operating Unit

Strategic Objective Teams shall decide whether/when an evaluative activity is needed, in consultation with other partners and customers, as well as senior management of the operating unit. The following events or situations, among others, shall trigger a consideration of whether an evaluation is needed:

- performance monitoring indicates an unexpected (positive or negative) result on a critical measure;
- a key management decision must be made about directions in an activity, intermediate result or SO, but there is inadequate information for making the decision;
- annual (or periodic) reviews in the operating unit or with the host country identify key questions to be resolved or questions on which consensus must be developed;
- formal or informal feedback from participants, partners, customers, or other informed observers suggests that implementation is not going well or is not meeting the needs of intended customers;
- there is a breakdown in a critical assumption or intermediate result supported by another donor, thus challenging the validity of the strategy to achieve the SO; or,
- an operating unit believes extracting key "lessons learned" or documenting experience is important for the benefit of other operating units or for future programming in the same country.

(Refer to Supplementary Reference 203.6.19 for additional information.)

E203.5.6a(2) Planning and Conducting Evaluations at the Overall Agency Level.

Central evaluations shall be conducted to meet Agency management and planning needs. PPC/CDIE shall conduct and coordinate participation in these evaluations, working in cooperation with other appropriate bureaus. Agency senior management, as well as relevant stakeholders and partner development organizations, as appropriate, shall be consulted to determine central evaluation needs and areas of focus. The following concerns, among others, shall be considered in determining the focus of central evaluations and the areas to be assessed:

- issues related to the effectiveness of Agency program strategies in contributing to overall Agency goals and objectives;
- issues related to the effectiveness of strategies commonly or experimentally used by operating units to achieve strategic objectives within particular sectors;
- other important issues related to the delivery of development assistance (i.e. unexpected, positive or negative, consequences or impacts from various programs or activities); and,
- major issues which may be of concern to the Administrator or Agency stakeholders.

E203.5.6a(3) The Focus and Purpose of Evaluations

For any evaluative activity, a clear purpose must be articulated, along with a small number of key questions on which the evaluation will focus. A clear Scope of Work (SOW) is crucial to conducting a useful evaluation and shall be prepared. (See Supplementary Reference 203.6.30 for standard Agency guidelines on preparing Scopes of Work (SOWs) for formal evaluations.)

The following factors, among others, shall be considered when planning the type of evaluative activity to be undertaken:

- the nature of the information/analysis/feedback needed;
- cost-effectiveness;
- time-frame of the management need for information;
- the time and resources available; and
- the level of accuracy required.

(See Supplementary Reference 203.6.20 for additional information on evaluation design and 203.6.22 for suggestions on alternative evaluation methodologies.)

203.5.6b Evaluation Follow-up and Documentation

At all levels, the findings, conclusions, and recommendations of evaluative activities shall be openly shared and discussed with relevant customers and partners, as well as other donors or stakeholders, unless there are unusual and compelling reasons not to do so.

The SO team has initial and primary responsibility for responding to and using an evaluation, once completed, of a strategic objective, a results package, or a related activity. They must:

- Systematically review the key findings, conclusions, and recommendations;
- Identify which findings, conclusions, or recommendations the team(s) accept/support and which they disagree with;
- Identify the management/program actions proposed to be taken as an outcome of the evaluation and assign clear responsibility for undertaking them; and
- Determine whether any revision is necessary in strategy, the results framework, or the activity, given all information then available to the team. (If significant revision is necessary, refer to Strategic Planning, E201.5.8 and E201.5.9.)

The primary oversight and review of an SO level evaluation shall be by the head of the operating unit. (The responsibility for oversight and review of evaluations is generally at the next level in the direct program management line. In general, an evaluation of a strategic objective or results package is not formally reviewed and responded to above the operating unit level.) (See also, E203.5.6b through E203.5.6b(3).)

(Refer to Supplementary Reference 203.6.27 for additional information on presenting evaluation findings and recommendations and 203.6.29 for information on acting on evaluation findings.)

#### E203.5.6b Evaluation Follow-up and Documentation

At the conclusion of any evaluative activity, documentation shall be prepared to, at a minimum, highlight important findings, conclusions and recommendations. The nature of the documentation will vary considerably, depending on the type, formality, importance, breadth/scope and resources committed to the evaluative activity. The review of such documentation by regional or central bureaus is not required.

#### E203.5.6b(1) Evaluation Reports

Evaluation reports shall be prepared for more formal and critical evaluative activities. These reports must be written to be useful and readily understood. Key findings, conclusions, and recommendations must be succinct, clearly distinguished from each other, and clearly identified in the report.



For contracted evaluations and assessments, the report format shall be specified in the evaluation scope of work and must adhere to the Agency's required format (for Agency guidelines on evaluation report formats, refer to Supplementary Reference 203.6.28).

An executive summary shall be prepared for each evaluation report. The executive summary shall present a concise and accurate summary of the most critical elements of the larger report and should adhere to Agency guidelines for preparing executive summaries (for Agency guidelines, refer to Supplementary Reference 203.6.28).

#### E203.5.6b(2) Electronic Submissions of Evaluation Documentation

The following shall be submitted, in electronic form, to PPC/CDIE for entry into the Agency's automated development information system:

- full evaluation reports
- executive summaries of evaluation reports
- other documentation prepared at the conclusion of an evaluative activity
- response of the SO teams (and/or Operating Unit or Counterpart Agency) to evaluation reports, when appropriate
- action decisions arising from evaluative activities.

#### E203.5.6b(3) Translating an Evaluation Report

If an evaluation report (or other documentation prepared at the conclusion of an evaluative activity) is written in English and key project counterparts or participants do not speak English, the SO team shall arrange for translation of at least the executive summary into the local written language(s).

#### 203.5.7 Other Sources of Information for Managing for Results

In addition to information from performance monitoring and evaluative activities, the Agency, SO teams and activity managers shall, to the extent possible, use the following other sources of information for managing for results:

- Agency research and other state-of-the-art findings in the Agency's technical areas;
- documented experiences of other donors and development agencies;
- development experience, including Agency "lessons learned" (see Definitions);
- development information (see Definitions);

- knowledge gained from assessing customer needs;
- analyses and assessments of relevant countries and sectors;  
and,
- informal feedback from counterparts, partners, customers, or other informed observers, or from field visits or other direct contact.

(See also, E203.5.7.)

#### E203.5.7

The Agency shall, to the extent feasible and practical, establish and maintain databases and information systems which permit Agency-wide access to the formal sources of information for managing for results listed in policy 203.5.7.

#### 203.5.8 Review of Performance Information

The Agency, its operating units, and SO teams shall conduct reviews and analyses of performance information at regular intervals to assess progress against expected results and to determine if critical assumptions continue to hold.

#### 203.5.8a Operating Unit Internal Reviews

Operating units and SO teams shall regularly review and analyze performance information to assess progress towards achieving their objectives and intermediate results.

#### 203.5.8a(1) Results Framework-Level Reviews

Operating units and SO teams shall conduct reviews, as often as necessary but at least once a year, to assess progress towards achieving their strategic objectives, strategic support objectives, special objectives and USAID-funded intermediate results in the results framework. These reviews shall serve operating unit internal management and planning needs. At least one of these reviews, however, must provide analysis for the annual R4 report (see 203.5.9 and 203.5.9a) and, therefore, must address the following:

- progress made towards the achievement of strategic objectives, strategic support objectives and special objectives over the past fiscal year, as well as expectations for future results;
- status of critical assumptions (i.e. whether they continue to hold) and causal relationships defined in the results framework and the related implications for strategic objective and intermediate results performance;
- status of the operating unit's "management contract" and the

need for any changes to the approved strategic plan (refer to Strategic Planning, E201.5.9); and,

- future resource requirements (see also, Strategic Planning, E201.5.9).

The following information shall be used to conduct the "R4" results review:

- data on the performance indicators of strategic objectives, strategic support objectives, special objectives and USAID-funded intermediate results;
- information regarding critical assumptions in the strategic plan and intermediate results supported by other donors;
- information from any relevant evaluative activities completed during the period under review; and,
- any other relevant information.

(Refer to Supplementary References 203.6.15 and 203.6.26 for information concerning the analysis of performance monitoring and evaluation data.)

#### 203.5.8a(2) Activity-Level Review

SO teams and/or activity managers shall regularly review and analyze inputs, outputs, and processes to insure activities are supporting the relevant intermediate result(s), and, ultimately, are contributing to the achievement of the strategic objective (refer to Supplementary Reference 203.6.16).

#### 203.5.8a(3) Participation in Reviews

Operating units and SO teams shall conduct their reviews with relevant customers (including internal Agency customers, e.g. Global Bureau Centers providing technical support to field missions) and principal partners, when appropriate, to obtain their input.

#### 203.5.8b Bureau Reviews of Operating Units

Agency bureaus shall conduct annual reviews of any and all operating units under the respective bureau's purview (i.e., regional bureaus will conduct annual reviews for each of their field mission operating units; Global bureau will conduct annual reviews for each of its Centers/Offices functioning as operating units; BHR will conduct annual reviews of each of their operating units, etc.) to:

- assess progress towards the achievement of strategic objective(s), strategic support objectives and special objectives;
- examine areas where expected results are not being met;

- review the "management contract" and the need for any changes or refinements to the approved strategic plan; and,
- review resource requirements (see strategic planning).

PPC, M, G, BHR, and regional bureaus shall each participate in the bureau reviews as deemed appropriate by the conducting and participating bureaus. The R4 report shall be used as the basis of these reviews (see also Strategic Planning, E201.5.9). The bureau review of operating unit results may be conducted in conjunction with or separately from the annual budget reviews, provided that the results review is used as a basis to inform decisions regarding the budget. These bureau reviews may provide summary operating unit performance information for use in the annual review of overall Agency performance.

203.5.8c Review of Overall Agency Performance.

The Agency shall conduct a review of its performance on an annual basis by assessing progress towards Agency goals and objectives and by analyzing operating unit performance within the context of the Agency strategic framework. The review shall focus on the immediate past fiscal year, but may also review performance for prior years. This annual review shall serve overall Agency planning and management needs and form the basis of the GPRA report (see E203.5.9b). In addition to reviewing progress towards achieving Agency objectives, the review shall examine areas in which expected results are not being met.

The Agency review shall be coordinated and conducted by PPC with the assistance of M and G, as appropriate. PPC shall be responsible for coordinating and designating appropriate roles for other Agency bureaus, offices, and field missions in compiling and analyzing information for and participating in the review. PPC shall establish a schedule for the review, with the participation of other relevant Agency organizational units, in order to coordinate Agency information and meet specific reporting deadlines.

The review shall use information from Agency and operating unit performance monitoring systems, information from operating unit performance reviews, relevant evaluation and research findings, and other available information as necessary.

E203.5.8 Review of Performance Information - N/A

203.5.9 Reporting and Disseminating Performance Information

The Agency and its operating units shall report and disseminate findings on Agency and operating unit performance. The Agency shall be open and direct in reporting and disseminating findings on performance, and shall report on both successes and failures. Information from Agency performance monitoring systems, evaluative activities, and other relevant information, both quantitative and qualitative, as appropriate, shall be used in reporting and in disseminating findings on performance. (See also, E203.5.9.)

E203.5.9 Reporting and Disseminating Performance Information

Formal reports stipulated in policy 203.5.9a and essential procedures E203.5.9b and E203.5.9c shall be submitted to and collected by PPC/CDIE for purposes of providing broad access to this information and of archiving Agency records.

203.5.9a Operating Unit R4 Report

Operating units shall report annually to their respective bureaus through the Results Review and Resource Request (R4) report. The results review section(s) of the R4 report must address the operating unit's performance for the immediate past fiscal year, focusing on progress made towards achievement of the strategic objectives, strategic support objectives, and special objectives. The R4 is also to be used for revalidating the operating unit's strategy based on progress and refining indicators and targets.

Information from the R4 shall be used, as appropriate, for internal Agency analyses, responding to external inquiries, and Agency results reporting. (see Strategic Planning, 201.5.9 and E201.5.9 for other purposes of the R4 report as well as the required content of the R4 report).

The operating unit annual review stipulated in policy 203.5.8a(1) is to provide the analysis and information for the results review section(s) in the R4 report. The deadlines for submission of the R4 report shall be determined by the relevant Agency bureaus and shall take into account Agency needs for the use of this information for Agency reporting requirements and for the annual budget cycle.

E203.5.9a Operating Unit R4 Report - N/A

203.5.9b Reporting on Agency Performance

As required by legislation (GPRA of 1993) and Executive Orders, the Agency shall annually report on its performance to Congress and the Executive Branch. (See also, E203.5.9b.)

E203.5.9b Reporting on Agency Performance

Consistent with the Government Performance and Results Act (GPRA) of 1993, the Agency shall prepare and submit, by March 31 of each year or another date allowed for by Congress and the Executive Branch, a report to the President and Congress on the Agency's program performance for the previous fiscal year. The report must:

- review progress towards objectives over the past fiscal year;
- examine Agency plans for the current fiscal year relative to the performance achieved in the fiscal year covered by the report;

- where objectives are not being met, explain and describe why the objective was not met, plans and schedules for improving progress towards the established objective, and, if the objective is determined to be impractical or not feasible, why that is the case and what action is recommended;
- describe the use and assess the effectiveness in achieving objectives of any waiver under section 9703 of the GPRA; and,
- include summary findings of evaluations, as deemed appropriate, completed during the fiscal year covered by the report (see GPRA of 1993).

The review of overall Agency performance stipulated in policy 203.5.8c is to provide information for the GPRA report. PPC shall be responsible for coordinating and compiling this report, including coordinating information from other Agency bureaus, offices, and field missions as appropriate.

The performance information resulting from the preparation of the above annual Agency performance report may be used to meet the reporting requirements for the appropriate sections of financial statements submitted under the Chief Financial Officers Act (CFO) of 1990.

**203.5.9c Meeting Other External Reporting Requirements**

The Agency shall, where appropriate, use information on its performance to meet other external reporting requirements (beyond those described in policy 203.5.9b and essential procedure E203.5.9b) and to inform Agency stakeholders. (See also, E203.5.9c.)

**E203.5.9c Meeting Other External Reporting Requirements**

Performance information shall be used, as necessary, in the Agency Congressional Presentation submitted each year to Congress. Performance information shall also be used, as needed, to respond to other Agency reporting requirements.

**203.5.9d Dissemination of Performance Findings**

The Agency and its operating units shall disseminate and discuss findings on performance with relevant customers and principle partners (refer to Supplementary Reference 203.6.32 for additional information on communicating and disseminating performance findings).

**E203.5.9d Dissemination of Performance Findings - N/A**

**203.5.9e Special Requests for Performance Information**

Agency bureaus and offices shall not make special requests for performance information from operating units, unless the information is unavailable from R4 reports or Agency information systems.

E203.5.9e Special Requests for Performance Information - N/A

## 203.6 Supplementary References

[This section reserved for the following references]

### Overview of Performance Monitoring and Evaluation

- 203.6.1 How to Use These Supplementary Reference Materials
- 203.6.2 Purpose of and Relationship Between Performance Monitoring and Evaluation
- 203.6.3 Roles and Responsibilities in Performance Monitoring and Evaluation
- 203.6.4 Partner and Customer Participation in Performance Monitoring and Evaluation
- 203.6.5 What Resources are Needed for Performance Monitoring and Evaluation

### Performance Monitoring

- 203.6.6 Designing a Performance Monitoring System for use at USAID [Establishing Strategic Objectives and Intermediate Results - see Planning Supplementary References]
- 203.6.7 Selecting Appropriate and Useful Performance Indicators
- 203.6.8 Establishing Performance Baselines
- 203.6.9 Defining Performance Targets
- 203.6.10 Monitoring Critical Assumptions and Intermediate Results Supported by Partners
- 203.6.11 Developing a Performance Monitoring Plan
- 203.6.12 Sampling for Performance Monitoring Data Collection
- 203.6.13 Collecting Performance Monitoring Data
- 203.6.14 Ensuring Data Quality
- 203.6.15 Analyzing Performance Monitoring Data
- 203.6.16 Monitoring Activities: Inputs, Outputs and Processes
- 203.6.17 Preparing a Scope of Work for Various Monitoring Tasks

### Evaluation

- 203.6.18 Using Evaluation in USAID
- 203.6.19 When is an Evaluation Needed
- 203.6.20 Designing an Evaluation: Asking the Critical Questions
- 203.6.21 Building an Evaluation Team
- 203.6.22 Selecting the Appropriate Evaluation Methodology
- 203.6.23 Sampling for Data Collection
- 203.6.24 Collecting Evaluation Data: Instruments and Logistics
- 203.6.25 Ensuring Data Quality
- 203.6.26 Analyzing Evaluation Data
- 203.6.27 Presenting Evaluation Findings, Conclusions and Recommendations
- 203.6.28 Preparing Evaluation Reports and Documentation
- 203.6.29 Review, Follow-up and Action Plan for Improvement with Partners and Customers
- 203.6.30 Preparing an Evaluation Scope of Work
- Performance Information from Monitoring and Evaluation
- 203.6.31 Using Performance Information to Improve Effectiveness
- 203.6.32 Communicating and Disseminating Performance Information



1. The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that this is essential for the proper management of the organization's finances and for ensuring compliance with applicable laws and regulations.

2. The second part of the document outlines the specific procedures that should be followed when recording transactions. This includes the use of standardized forms and the requirement that all entries be supported by appropriate documentation.

3. The third part of the document discusses the role of the accounting department in the overall management of the organization. It highlights the importance of providing timely and accurate financial information to management for decision-making purposes.

4. The fourth part of the document discusses the importance of internal controls in preventing and detecting errors and fraud. It outlines the key components of an effective internal control system, including segregation of duties, authorization, and independent verification.

5. The fifth part of the document discusses the importance of regular audits in ensuring the accuracy and reliability of the financial statements. It outlines the types of audits that should be performed and the role of the audit committee in overseeing the audit process.

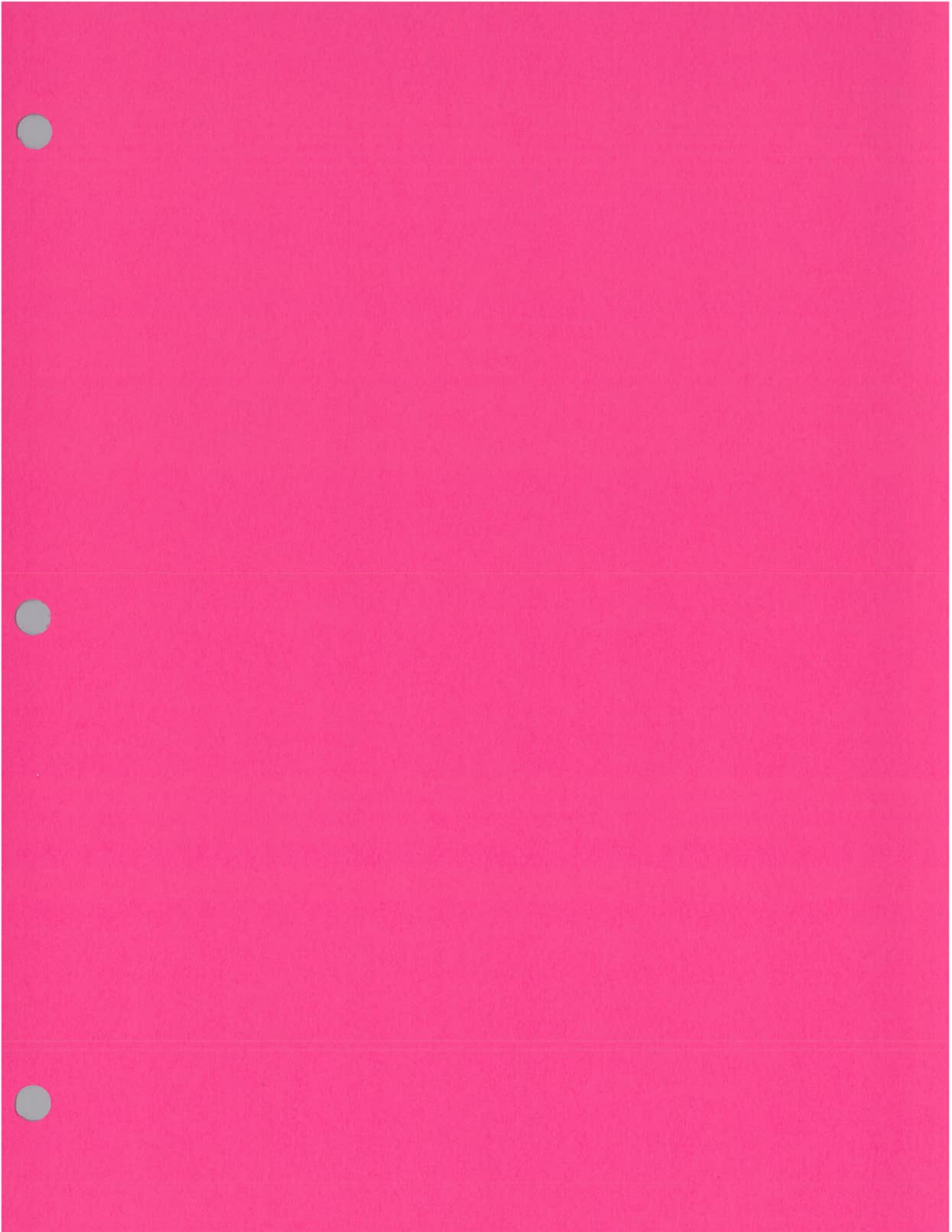
6. The sixth part of the document discusses the importance of maintaining the confidentiality of financial information. It outlines the measures that should be taken to protect this information from unauthorized access and disclosure.

7. The seventh part of the document discusses the importance of staying up-to-date on changes in accounting standards and regulations. It outlines the role of the accounting department in monitoring these changes and implementing them as required.

8. The eighth part of the document discusses the importance of providing training and education to all employees on the proper handling of financial information. It outlines the key topics that should be covered in such training and the role of the accounting department in developing and delivering this training.

9. The ninth part of the document discusses the importance of maintaining a strong relationship with external auditors. It outlines the key factors that should be considered when selecting an auditor and the role of the accounting department in working closely with the auditor to ensure a smooth audit process.

10. The tenth part of the document discusses the importance of providing clear and concise financial reports to management. It outlines the key components of an effective financial report and the role of the accounting department in preparing and presenting these reports.



INFORMATION

USAID/GENERAL NOTICE

AA/M

09/11/95

SUBJECT: Reengineering Transition Guidance Cable No.1: Rollout of the Reengineered USAID Systems

I. Introduction

On October 1, 1995, implementation of our reengineering effort begins. Between now and October 1, you will receive a series of guidance messages designed to answer many of the questions you will have as we begin implementation.

No one office in Washington pretends to have all the answers. We are counting on you, in the operating units, to fill in the gaps and to use the new operations systems in creative ways to achieve your purposes. Just as the reengineered processes are the intellectual product of the Agency, we expect bureaus and operating units to take the lead in adapting the new processes to their operations. Remember that there is no one answer to fit every case. Bureaus will address operations differently, and each operating unit is empowered, within the framework of the automated directives system, to develop its own internal operating procedures.

As we implement the new procedures, it is important to keep in mind the core values, the precepts that govern the reengineering process: management for results, empowerment of employees and accountability, teamwork, and customer focus.

II. Timetable

The computer-based new management systems (NMS) will be installed in Washington for production on October 1, 1995. They will be used in a production mode in the field on January 1, 1996. Detailed guidance on the infrastructure requirements, the functionality of these systems, and the rollout plan will be covered in transition Cables Numbers 3 and 4.

Software development will continue throughout Fiscal Years 1996/7, with updates to the first NMS release plus additional business area applications (such as Human Resources).

This schedule should not interrupt ongoing activities or the adoption of reengineered operations processes. The processes set forth in the automated directives system (ADS) will become operational on October 1, and the new operations

system will take effect then. The following elements will apply:

A. Agency Strategic Plan

The Agency's Strategic Plan consists of three elements:

1. Strategies for Sustainable Development

This document was completed in March of 1994. It sets forth the Agency's goals.

2. Implementation Guidelines

The strategies have been supplemented with individual implementation guidelines for each Agency goal.

3. Agency Strategic Framework

PPC/CDIE has prepared an Agency Strategic Framework to be released this fall. This framework will establish the Agency objectives for each goal to which all country and regional frameworks must relate.

B. Regional and Central Planning Frameworks

Operating bureaus will need to ensure that all regional and central frameworks coincide with the Agency Strategic Framework. This should be perfunctory, as bureau frameworks have been designed around the Agency's strategic plan for some time.

C. Operating Units

1. Realignment of Existing Program Activities

A critical task over the coming year is realignment of ongoing activities under strategic objectives. Cable No. 2 In this series, Transition to the New Operations System, will discuss the mechanisms for doing this.

2. Strategic Plans

Every operating unit that manages program funds must have an approved Strategic Plan. Requirements

pertaining to the content of the Strategic Plan, outlined in the ADS directives, shall apply only to new Strategic Plans. Except for the special cases set forth in the ADS, all operating units should have an approved Strategic Plan by the date for submission of their FY 1996 Results Review and Resource Request (R4).

Strategic Plans approved under PPC's May 1994 directives will be valid in the new operations system if they were approved in an agencywide review process (barring the need for revisions due to changes in resource levels this year). Regional Bureaus are responsible for ensuring the quality of approved Strategic Plans. Issues or concerns about a strategy and strategic objectives may be addressed to the respective bureau, PPC and M/ROR.

3. Management Letters

Beginning October 1, Regional and Central Bureaus will be responsible for providing new mission directors and principal officers of other operating units with management letters outlining the strategic direction of the program, key management or strategic issues, resource parameters and any special foreign policy interests in the country.

4. Management Contracts

By the end of FY 96, each operating bureau will have in place a management contract between the operating unit and the AA of the bureau.

5. Customer Service Plans

By submission of the next R4, all operating units will have Customer Service Plans (CSP) in place, regardless of the status of operating unit's Strategic Plan. The CSP does not require approval by USAID/W (but will be available to USAID/W for information purposes). It is a working document for the operating unit.

6. Performance Monitoring Plans

The Performance Monitoring Plan (PMP) must be prepared

by every operating unit working with approved strategic objectives and supporting results frameworks. The PMP is due to be submitted with the first R4.

7. Special Objectives

Special Objectives are analogous to earmarked and directed activities as well as targets of opportunity. In the FY 96 R4, missions and operating units will report on progress toward meeting Special Objectives in order to justify funding levels.

8. Results Frameworks (RF)

All operating units will prepare and incorporate results frameworks for each strategic and special objective. The RF will establish the basis for reporting future results. Where possible, the RF submitted with the FY 96 R4 will establish the baseline for reporting program results in subsequent years. Operating units should move quickly to establish RFs, but leeway will be given during this transition year.

D. Delegations of Authority (DOAs)

Accompanying the rollout of the reengineered systems are delegations of new authority to the field. The new DOAs are modeled on those previously conferred on the Country Experimental Labs (CELs). Cables reflecting the new delegations are now circulating in USAID/W and will be released before the October 1 milestone.

E. Computerized Systems

III. Training

We have begun a comprehensive training program in Washington and overseas. From July through early September, we will have trained over 200 trainers (TOT) in programs conducted in USAID/W and Bangkok. These individuals will serve as change agents within their home operating units. For missions, we are planning to supplement this with regional hands-on training once the computers and software are installed. We are developing similar training programs for

USAID/W staff. Training for executive management in USAID/W will begin in mid-September.

In addition, we will have special sessions at regional venues such as REDSO scheduling conferences. Various missions and bureaus have already organized reengineering-based training for selected PVOs and partners, and we encourage missions and operating units to proceed with this training. USAID/W is identifying qualified individuals and firms who can supplement mission efforts in this field. We will provide these names in a later communication.

#### IV. Help Desks

There will be an extensive help network established in USAID/W to assist bureaus, missions and other operating units during the transition period. For questions related to the new operations system, remember that the first point of contact is your bureau's Transition Coordinator. The Coordinators are:

for AFR: David McCloud/AFR/DP  
for ANE: Frank Young/ANE/ORO; and Jay Nussbaum/ANE/ORO  
for ENI: Jeff Evans/ENI/PCS  
for Global: Lorie Dobbins/G/PDSP  
for LAC: Bob Jordan/LAC/DPP  
for BHR: Fred Cole/BHR/PPE

Bureau Transition Coordinators and subject matter experts will compile inquiries and consult electronically to share questions and answers on the transition. General questions and answers will be routinely transmitted to operating units in USAID/W and the field by electronic bulletin boards, INTERNET, E-MAIL, EXONET and cables.

A separate telegram will provide details on where to go for help related to automated systems support.

#### V. Further Cables in This Series

This is the first in a series of 11 or more cables which will be issued over the coming weeks. Each cable will provide information beyond what is contained in the ADS series. The subjects to be covered in this series of cables are as follows:

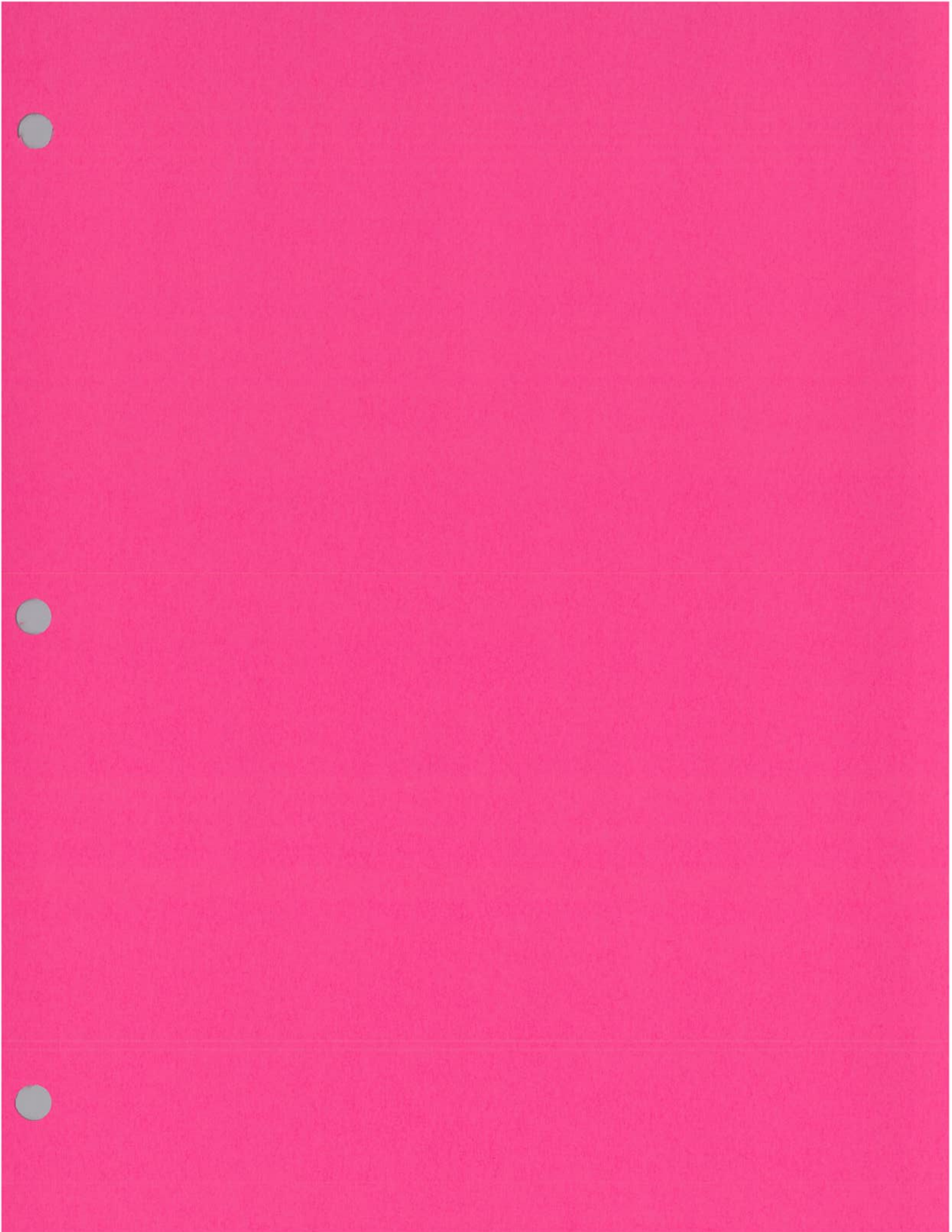
- transition to the reengineered operations system
- transitional requirements for strategic planning
- NMS Task Force: computer infrastructure
- NMS Task Force: computer applications software
- achieving
- results frameworks
- the Automated Directives System
- performance monitoring and evaluation
- the new personnel system
- guidelines for developing customer service planning capability
- any other subjects which emerge as needed

In combination with the ADS series, these cables should provide a firm foundation for the transition.

As of October 1, the primary responsibility for change will reside in the bureaus, missions and other operating units. I urge you to provide steady and constructive suggestions to the Bureau Transition Coordinators on your experience during the transition so we can share these lessons worldwide.

Notice 913





USAID General Notice  
INFORMATION M/ROR  
09/20/95

SUBJECT: Reengineering Transition Guidance Cable No. 2:  
Transition to Reengineered Operations Processes

1. Summary

This Notice is the second in a series of guidance messages that deal with transition to the new systems. Starting 10/01/95, USAID missions, centers and offices (operating units) will use the reengineered operations processes identified in the Automated Directives Systems (ADS), Series 200. The Series 200 ADS, provides guidance (policies and essential procedures) on the new operations systems. However, we recognize that a transition period is required to fully implement these policies and essential procedures. This notice provides guidance regarding planning and implementing (achieving) USAID development assistance during the transition period beginning October 1, 1995. The following topics are covered: Strategic Plans and Management Contracts, Alignment of Activities with Strategic or Special Objectives, Special Objectives, Reaching an Understanding with Customers and Partners, New Fiscal Year 1996 Obligations, Congressional Notification Procedures, documentation required before obligation of funds, Options for Obligation and Related Documents, Resource Allocations, and Teams.

2. Strategic Plans and Management Contracts

All operating units that manage program resources shall have an approved strategic plan and management contract. (ADS Section 201.5.5 and 201.5.12) Assistant Administrators (AAs) of regional and central bureaus are being delegated authorities to approve or disapprove strategic plans, management contracts and requests for revisions to them. Regional and central operating bureaus shall establish schedules for submission of new or revised strategic plans by operating units.

Operating units may use their most recently approved strategy or action plan (or equivalent document) as their approved strategic plan. The transition management contract for these operating units shall consist of the strategic plan and/or action plan and

the guidance emerging from the cognizant bureau's review of the most recent of these documents. (ADS 201.5.12A) Operating units which do not yet have a results framework for each approved strategic objective shall to the extent possible prepare and incorporate them prior to submission of their results review and resource request (R4), but not later than the end of FY 96, or as may be agreed with the cognizant regional/central bureau. Regional bureaus may issue separate guidance regarding their

schedules for submission of the R4. An amendment or revision to an operating unit's strategic plan (or equivalent document) or management contract requires approval by the cognizant bureau's AA. Normally, operating units will include any proposed changes to their strategic plan or management contract as part of the R4.

### 3. Alignment of Current Portfolios with Strategic or Special Objectives

Operating units shall focus USAID's resources on the achievement of strategic objectives that have significant potential for sustainable development impact. (See ADS Section 201.5.10A) As of October 1, 1995, operating units shall align on-going project/program funded activities with a strategic or special objective presented in their approved strategic plan (or an ENI objective under ENI strategic framework) and management contract. Activities funded under on-going projects or programs that do not support achievement of a strategic or special objective shall, at the discretion of the Mission Director or Principal Officer of the operating unit, be terminated or continued until the presently obligated funds are expended or deobligated. Increases in existing projects will continue to require congressional notification. This subject will be discussed further in future notices dealing with the subject of congressional notification (paragraph 7).

-- Where on-going activities can be aligned with approved strategic or special objectives and supporting results frameworks, directors and principal officers of operating units will be delegated authority to amend authorizations and agreements for on-going projects and programs to reflect that alignment.

-- Where on-going project and program documents are already aligned with approved strategic or special objectives and reflect appropriate results orientation, missions may continue to

implement such activities without changes.

-- Where the activities have not yet been aligned with a strategic or special objective or there is insufficient results orientation reflected in on-going project and/or program documents missions must affect that alignment in FY 96. Options include: a) amend on-going project and program documents to reflect a strategic or special objective and intermediate results; (b) negotiate a new strategic or special objective agreement that encompasses existing and new activities that fully support intermediate results and strategic or special objectives; or, (c) amend contracts or grants that encompass new and/or on-going activities to reflect intermediate results and strategic or special objectives. We recognize procurement/acquisition rules may not permit unilateral amendments to contracts or grants and substantive modification in terms of a contract may require recompetition.

#### 4. Special Objectives

As noted above in paragraph 3, operating units may include activities funded under on-going projects and programs in their portfolios that are not aligned with a strategic objective, but which produce results that support other U.S. government objectives (directives/earmarks) identified as special objectives. Whenever such activities meet one or more of the criteria presented in ADS, Section 201.5.10C, they may be justified as special objectives. An operating unit may continue on-going activities that were justified in an approved strategic plan (or equivalent document) that are aligned with or fully support a special objective. New activities that are not aligned with the operating unit's strategic objectives may be undertaken when approved as part of the R4, or treated as an amendment thereto. Results frameworks are required for all special objectives. They may be submitted to the cognizant bureau along with the R4, in the spring of FY 1996.

#### 5. Reaching an Understanding with Customers and Partners

As operating units transition from on-going projects and programs to strategic objectives supported by results frameworks, the process will undoubtedly generate confusion among those with whom we work. Reaching an understanding with our partners and customers on the strategic objective and its results framework is

key to the transition. An overall understanding supported by all participants is desirable. Accordingly, in the transition alignment phase, whether proceeding on new agreements or amendments to old, operating units should clarify all pertinent agreements, (e.g., existing PROAGs, new SOAGs, existing or new contracts and grants, existing or new MOU with host government or other partners) to underscore new strategic or special objective understandings. These clarifications should stress the new obligations of all partners to achieve those objectives. We leave it to the discretion of the operating unit in consultation with the RLA and CO to decide what is the appropriate documentation, under reengineering principles and ADS guidance, for reaching an understanding with customers and partners.

#### 6. New Fiscal Year 1996 Obligations

Operating units, in the Statistical Annex for the FY 96 Appropriation and in the FY 1997 Congressional Presentation, shall present the alignment of existing projects and programs with their strategic and special objectives. If these projects and programs cannot be aligned with an operating unit's current strategic objective, subject to the cognizant AA's approval, they may be classified as a special objective. As AWACS is brought on line, operating units shall also align activities under existing projects and programs with one or more intermediate results in the results framework for a strategic or special objective.

#### 7. Congressional Notification Procedures

Consultations are currently underway with Congress regarding the Agency's notification procedures. Upon completion of these consultations, we will provide all operating units with guidance regarding the congressional notification procedures.

#### 8. Documentation Required Before Obligation of Funds

##### A. General

It is left to the operating units to decide how to document and certify that the documentation and information requirements mentioned in Section 8.(B) and (C), below, have been met prior to obligation.

As an operating unit begins the process of planning and

obligating at the strategic objective level, inclusion of the Regional Legal Advisor (RLA) and Contract Officer (CO) is essential to develop procedures to properly certify that necessary legal and regulatory requirements have been met prior to obligation and to define the appropriate obligating documentation. The operating units are also encouraged to communicate with their Regional Bureau's Transition Coordinator and each other with respect to any difficulties they encounter in applying the following guidance and any improvements or innovations they develop.

#### B. Planning Documentation

The requirements for social-cultural, technical, institutional, financial, economic and environmental analyses as well as identification of methods of implementation and disbursement were usually satisfied before authorization by PP(s) and PAAD(s). The various analyses should be completed to the extent appropriate for the objective, intermediate results and illustrative or actual activity as determined by the Mission Director or Principal Officer of the operating unit that is authorized to obligate funds.

#### C. Other Required Information

To satisfy FAA Section 611(a), before obligation the Mission Director or Principal Officer of the operating unit must ensure that adequate planning has been completed with respect to the mutually agreed program for achieving the intended results. In addition to appropriate planning documentation, the following information should be available in the operating unit's files: (1) the anticipated results and timeframes for achieving them, (2) explanation about how these results contribute to achieving the strategic objective; (3) the resources required to achieve intended results; (4) the measures to be employed to gauge progress in achieving the intended results; (5) the customers these results serve and mechanisms by which the related activities facilitate customer participation; (6) the likely partners and mechanisms for procurement of goods and services to carry out activities needed to achieve intended results, (7) Initial Environmental Examination (IEE) and, (8) statutory checklist. (See also "Official Files," Appendix B, Ch. 202 Of ADS Series)

#### 9. Options for Obligation and Related Documents

## A. General

Resources are allocated by strategic objective as operating units plan their budgets; obligations are made within strategic objectives. One or more obligating instrument may be necessary to support a strategic objective. While it is to an operating unit's advantage to obligate at the strategic or special objective level to provide maximum flexibility, in many cases obligation at the S.O. level may not be feasible. The types of agreements we envision for effective strategic objectives are outlined in B, C, D, and E below. Model forms will be included in ADS 300 Series.

## B. Strategic Objective Agreement (SOAG)

The SOAG is a government-to-government agreement which can obligate all funds supporting a strategic objective. Any grants to non-governmental organizations or international organizations or contracts under the strategic objective can be subobligations, thereby increasing the flexibility of moving resources within the strategic objective.

The S.O. Agreement is a government-to-government agreement and should only obligate funds for an objective whose illustrative activities (and actual activity selection criteria) or actual activities have been adequately planned and mutually agreed to. The language of the agreement can be substantially that of a current project agreement (PROAG) tailored to fit the strategic objective context.

The strategic objective, presented in either the principal part of the Agreement or Annex A of the SOAG, may be described in terms of an S.O.'s measurable intermediate results, illustrative activities to accomplish those intermediate results, and objective criteria and procedures for selection of the actual activities.

It should indicate whether the illustrative activities would require funding equal to or exceeding the amount obligated. It should also indicate that illustrative activities may be replaced by substitute activities, provided they meet the agreed upon criteria. When only incremental funding is provided, the operating unit can amend the S.O. Agreement to obligate additional funds as they are available. Finally, it should set

forth a basis for moving funds from non-performing to performing components of the strategic objective package.

The strategic objective, presented in either the principal part of the Agreement or Annex A of the SOAG, can also be described in terms of an S.O.'s measurable intermediate results and the actual activities that both parties agree are necessary to accomplish intermediate results.

#### C. Grants or Contracts with Private Entities

Strategic objective obligations can also take place using documents other than a SOAG. Where a SOAG proves infeasible or undesirable, operating units can also obligate their funds with grant, contracts and cooperative agreements. While contracts, grants and cooperative agreements may have certain advantages, in deciding whether to use them as obligating rather than subobligating documents, consideration should be given to the possibility that such funds can only be shifted from one intervention to another by deob-reob. In using contracts and grants alone without a SOAG, it will also be necessary to very carefully delineate the part the given contract or grant plays in achieving the S.O.

#### D. Combination of the Above

It has also been operating procedure for some operating units in the past to obligate certain portions of a program with a government-to-government agreement and the remainder, as envisaged in that agreement, through either obligating or subobligating grants and contracts with private entities. The same combination is clearly possible in a strategic objective rather than the program context. Indeed, given the likelihood of a greater number of different components under certain strategic objective designs, it might prove a very useful marriage of mechanisms to most effectively and expeditiously achieve desired results.

#### E. Memorandum of Understanding (MOU)

Finally, it has proven helpful in the past to use an MOU (non-obligating agreement) of this kind to buttress the understanding of the other parties reflected in the obligating agreements, as to their roles in achieving a strategic objective. For example, in ENI no government-to-government obligating



agreements exist between USAID and host governments. Funds are obligated by individual grants and contracts with private entities.

Another type of MOU is being used to bring other partners, such as non-USAID funded PVO(s) playing a role in a given objective scenario into a larger partnership understanding. There may be other instances where MOU(s) prove helpful. We leave it to the discretion of operating units to determine the desirability of utilizing such a non-obligating mechanism in their strategic or special objective implementation plans. The ENI government-to-government MOU will be included in the ADS 300 Series.

#### 10. Resource Allocations

In making resource allocations among strategic objectives, the relative contribution of each to overall agency goals and objectives, as defined in operating unit strategic plans and updated annually in the R4, shall be a principal factor. ADS 201.5.15 provides that resource allocation shall be by strategic or special objective. Operating units shall be allowed to decide upon the allocation of funds within their approved strategic or special objectives.

#### 11. Teams

ADS Section 202.5.5 (Principles for Developing and Managing Activities) states that teams shall carry out the following functions in developing and managing activities: a) ensure that all USAID-financed agreements (strategic objective agreements, grants, contacts, cooperative agreements, etc.) have clear performance targets and accountability standards; b) define procedures for monitoring, evaluating and reporting on the results of USAID assistance; c) create plans and support systems which are sufficiently flexible to enable USAID and its development partners to respond to customer needs and complex and changing circumstances; d) experiment with new and innovative approaches to development problems to enhance the probability of success; and, e) use performance information on results to inform decisions on future direction of the activities.

Note: Strategic Objective Teams will organize activities in results packages to accomplish the results set forth in the

results framework and deemed essential to accomplishing a given strategic objective. A separate transition notice on achieving will discuss results packages and other implementation guidelines under the ADS Series.

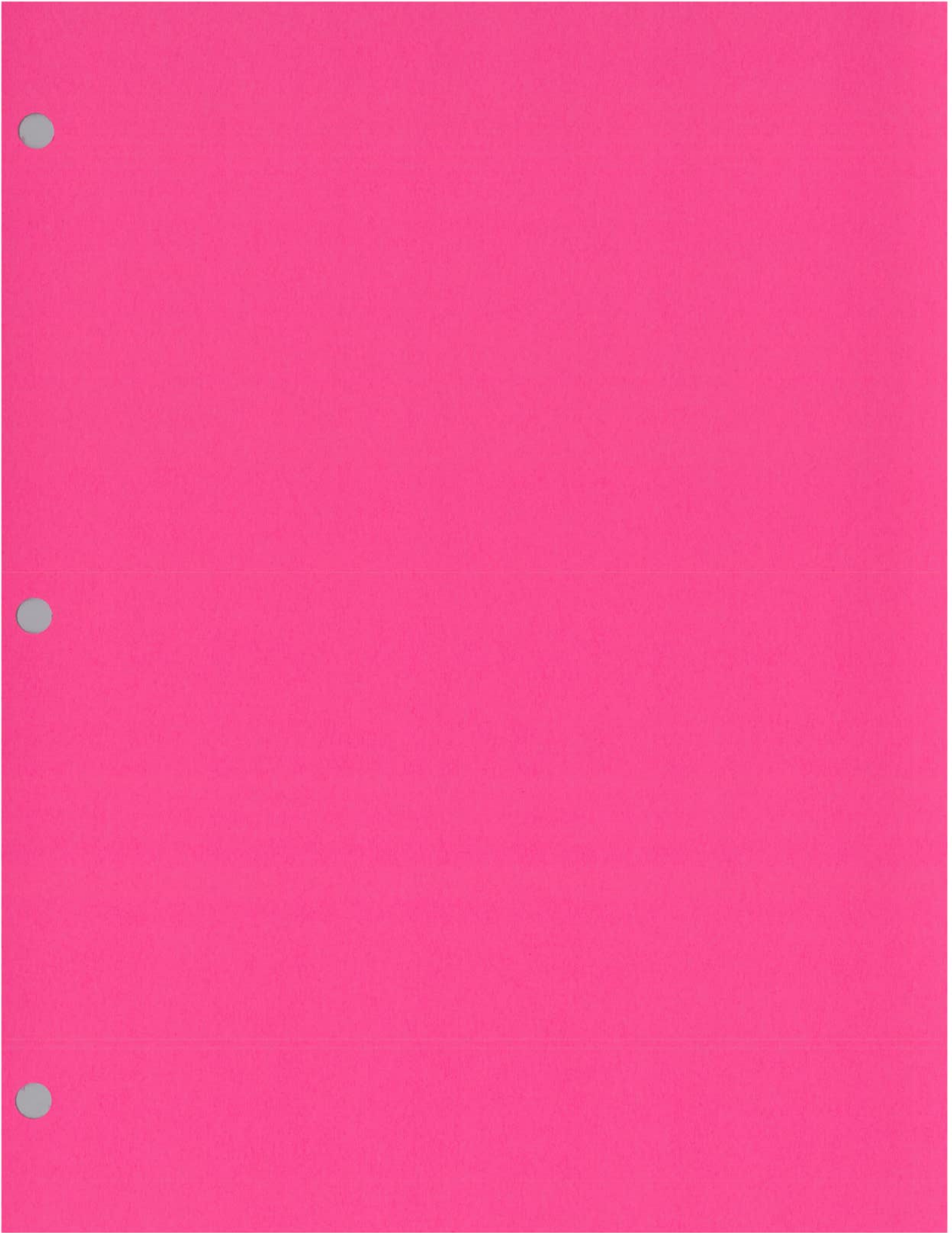
**CONTACT POINT:** Questions regarding this notice should be directed to Richard Byess, M/ROR, 663-3399.

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APPROVED BY: AID/A/M:LEBYRNE AID5883  
AA/M:MLZEITLIN (DRAFT) M/MPI:CDMCGRAW  
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TAGS:

SUBJECT: REENGINEERING TRANSITION GUIDANCE CABLE NO. 3:  
NMS INFRASTRUCTURE (TGC # 3)

REFTELS/EMAILS: (A) SERVICE MESSAGE 76-1994 FROM IRM/TCO  
TO SYSTEM ADMINISTRATORS AND THEIR MANAGERS DATED  
11/25/94; (B) STATE 111890 DATED 5/4/95; (C) STATE  
169755 DATED 7/14/95; (D) EMAIL FROM SANDY MULDOON-KUNZ TO  
SYSTEM ADMINISTRATORS AND THEIR MANAGERS DATED 7/21/95;  
(E) STATE 193992 DATED 8/15/95; (F) EMAIL FROM KEN ROKO TO  
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SYSTEMS ADMINISTRATORS AND THEIR MANAGERS DATED 8/19/95;  
(G) STATE 214052 DTD 9/9/95.

I. INTRODUCTION

RE REFTEL G, THIS IS TRANSITION CABLE NUMBER 3. THE

PURPOSE OF THIS CABLE IS TO PROVIDE INFORMATION ABOUT THE TECHNICAL INFRASTRUCTURE REQUIRED FOR THE AUTOMATED NEW MANAGEMENT SYSTEM (NMS) AND THE CURRENT SCHEDULE FOR PUTTING ALL THE PIECES IN PLACE.

THE NMS PROJECT IS AN INTENSIVE EFFORT WITH MANY ACTIVITIES CURRENTLY UNDERWAY. THE PLANS DETAILED BELOW REPRESENT A SNAPSHOT OF THE IMPLEMENTATION PROCESS. YOU WILL RECEIVE FURTHER UPDATES AS WARRANTED.

A NUMBER OF COMPONENTS MUST BE IN PLACE FOR THE NMS TO WORK AS PLANNED: SOFTWARE (BOTH INFRASTRUCTURE AND APPLICATION SOFTWARE), UNIX SERVERS, PCS, TELECOMMUNICATIONS, AND TRAINING. THIS CABLE ADDRESSES THE KEY HARDWARE AND SOFTWARE COMPONENTS. TRANSITION GUIDANCE CABLE NUMBER 4 ADDRESSES THE NMS APPLICATIONS THEMSELVES - THEIR FUNCTIONALITY, THE STATUS OF THE DEVELOPMENT EFFORT, THE IMPLEMENTATION SCHEDULE, AND THE APPLICABLE TRAINING.

THE OVERALL TECHNICAL INFRASTRUCTURE GOAL IS TO INSTALL SERVERS, PCS, AND TELECOMMUNICATIONS OF SUFFICIENT CAPACITY TO ACCOMMODATE THE NMS ROLLOUT IN EARLY FY 96, WITH THE NMS BUSINESS AREAS TO BE ADDED LATER IN FY 96,  
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FOLLOWED BY FUTURE APPLICATIONS, AND THE LONG TERM GROWTH CAPACITY NEEDED FOR DATA STORAGE.

## II. KEY COMPONENTS: UNIX SITES

IN ADDITION TO SUPPORTING THE REENGINEERED BUSINESS PROCESSES, THE PRIMARY GOAL OF THE NMS WAS TO REPLACE EXISTING CORPORATE SYSTEMS AND HAVE ONE, INTEGRATED DATABASE. THE FIRST PRIORITY WAS THE REPLACEMENT OF FACS (THE FINANCIAL ACCOUNTING AND CONTROL SYSTEM USED IN USAID/W), MACS (THE MISSION ACCOUNTING AND CONTROL SYSTEM), AND CIMS (THE CONTRACT INFORMATION MANAGEMENT SYSTEM). THEREFORE, THE INITIAL FOCUS IS ON THE LOCATIONS THAT HAVE THOSE THREE SYSTEMS. THOSE SITES CURRENTLY HAVE UNIX-BASED SERVERS. THEY ARE:

USAID/W PLUS AFR: ABIDJAN, ACCRA, ADDIS ABABA, ANTANANARIVO, BAMAKO, CONAKRY, DAKAR, GABORONE, HARARE, KAMPALA, LILONGWE, MAPUTO, MBABANE, NAIROBI, NIAMEY, PRETORIA; ANE: AMMAN, BANGKOK, CAIRO, COLOMBO, DHAKA, JAKARTA, KATHMANDU, MANILA, NEW DELHI, RABAT, TEL AVIV; LAC: GUATEMALA CITY, KINGSTON, LA PAZ, LIMA, MANAGUA, PANAMA CITY, PORT AU PRINCE, QUITO, SAN JOSE, SAN SALVADOR, SANTO DOMINGO, TEGUCIGALPA; ENI: ALMATY,

BUDAPEST, KIEV, MOSCOW, WARSAW.

A. INFRASTRUCTURE SOFTWARE

1. ORACLE: THE DATABASE IS CONSTRUCTED USING ORACLE SOFTWARE. FOR YOUR CURRENT UNIX SERVER, ORACLE 7.1.3 WAS PROVIDED BY IRM IN APRIL. WHEN THE NEW SERVERS ARE

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PROCURED (SEE PARA II.C.L BELOW), THE CURRENT VERSION OF ORACLE WILL BE LOADED ON THE SERVER PRIOR TO SHIPPING IT

TO THE MISSION. THE LICENSING OF THAT UPDATED VERSION WILL BE FUNDED BY USAID/W.

2. SQNET: THIS SOFTWARE ALLOWS THE APPLICATION TO ACCESS THE DATABASE ON THE SERVER. RELEASE 1.1.7.8 WAS PROVIDED TO ALL UNIX SITES IN APRIL. WHEN THE FINAL NUMBER OF USERS AT EACH MISSION ARE DETERMINED, IRM WILL ISSUE THE APPROPRIATE NUMBER OF LICENSES TO THE MISSION. SHOULD A NEWER RELEASE OF THIS SOFTWARE BE REQUIRED TO SUPPORT THE NMS, THAT RELEASE WILL BE FUNDED BY USAID/W AND PROVIDED WITH THE NMS APPLICATION INSTALL PROCEDURE. IRM WILL INSTALL SQNET IN USAID/W.

3. ONNET: THIS PRODUCT ALLOWS THE PC TO COMMUNICATE WITH THE UNIX SERVER AND REPLACES ANY VERSIONS OF TCP/IP OR SUPERTCP CURRENTLY IN USE. IRM POUCHED ONNET RELEASE 1.2 TO ALL UNIX SITES IN JUNE WITH LICENSE NUMBERS FOR 500F THE USERS AT POST. IRM WILL PROVIDE APPROPRIATE SOFTWARE & LICENSES TO NMS USERS IN USAID/W.

4. WINDOWS: WINDOWS SOFTWARE IS REQUIRED FOR THE NMS SYSTEMS. WINDOWS 3.1 IS THE CURRENT RELEASE SUPPORTED BY THESE SYSTEMS. IT MAY BE INSTALLED EITHER STANDALONE ON INDIVIDUAL PCS OR ON A BANYAN NETWORK FILE SERVER. REF A PROVIDED THE IRM RECOMMENDATIONS FOR THE STANDARD WINDOWS INSTALLATION. ALL MISSIONS/OFFICES WERE TO COMPLETE THEIR WINDOWS IMPLEMENTATION BY MARCH, 1995 TO ALLOW AGENCY STAFF TO BECOME ACCLIMATED TO WINDOWS AND ITS FEATURES

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WELL IN ADVANCE OF THE NMS ROLLOUT. IF WINDOWS IS NOT YET IMPLEMENTED AT YOUR LOCATION, PLEASE MAKE IT A HIGH PRIORITY.

5. ODBC/ORACLE OBJECTS: TWO 'DRIVERS', ORACLE OBJECTS AND MICROSOFT OPEN DATABASE CONNECTIVITY (ODBCS), WILL

ACCOMPANY THE NMS APPLICATIONS. THESE DRIVERS ARE PRODUCTS THAT PROVIDE ACCESS TO THE ORACLE DATABASE FROM THE NMS SOFTWARE AT YOUR PC. ORACLE OBJECTS WILL BE USED IN THE AWACS PORTION OF THE NMS SOFTWARE; ODBCS IN THE A&A, BUDGET AND OPERATIONS MODULES. ORACLE OBJECTS VERSION 1.0.55 AND MS ODBC VERSION 2.0 ARE REQUIRED TO RUN THE NMS APPLICATIONS. THEY WILL BE DISTRIBUTED AS PART OF THE NMS SOFTWARE; THE MISSIONS/OFFICES ARE NOT REQUIRED TO PURCHASE THESE DRIVERS. THEY WILL RESIDE ON EACH USER'S PC ALONG WITH OTHER PIECES OF THE NMS APPLICATIONS.

6. IMPROMPTU: THE NMS INCLUDES SOME STANDARD REPORTS AND QUERY CAPABILITIES. HOWEVER, IT IS EXPECTED THAT SOME USERS WILL NEED INFORMATION NOT ALREADY PROVIDED IN THOSE REPORTS. THIS PRODUCT IS TO BE USED FOR ADHOC QUERIES OF

THE DATABASE AND ALLOWS YOU TO EXTRACT THE DATA AS WELL AS FORMAT IT TO MEET YOUR REQUIREMENTS. THE PROCUREMENT OF IMPROMPTU IS IN PROGRESS AND COPIES WILL BE PROVIDED TO EACH MISSION AND USAID/W OFFICE.

## B. HARDWARE

### 1. UNIX SERVERS

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IT WAS DETERMINED RECENTLY THAT LARGER SERVERS THAN THOSE CURRENTLY IN THE MISSIONS WOULD BE NEEDED IN ORDER TO ACCOMMODATE FUTURE APPLICATIONS AS WELL AS THE NMS SOFTWARE TO BE DELIVERED IN EARLY FY96, THE NMS BUSINESS AREAS TO FOLLOW LATER IN FY96, AND THE GROWTH EXPECTED FOR DATA STORAGE. A CONTRACT WAS ISSUED TO IBM ON 9/7/95 FOR A RISC 6000 R20 PROCESSOR FOR EACH OF THE 44 UNIX-BASED MISSIONS LISTED ABOVE. SHIPMENT OF THE SERVERS WILL COMMENCE 9/25/95. THE VENDOR WILL INSTALL USAID-SUPPLIED SOFTWARE TO CONFIGURE THE SYSTEM FOR NMS OPERATION PRIOR TO SHIPMENT OF THE SERVER. THE VENDOR WILL ALSO INSTALL THE SERVERS AT MISSION, PROVIDE ONE-WEEK OF TRAINING TO THE SYSTEM ADMINISTRATORS ON VENDOR-SPECIFIC UNIX FEATURES AND PROBLEM DIAGNOSIS, AND PROVIDE HOT-LINE SUPPORT. ALL COSTS FOR EQUIPMENT, TECHNICAL MANUALS, SHIPPING, INSTALLATION, MAINTENANCE, AND TRAINING (INCLUDING TRAVEL) RELATED TO THIS PROCUREMENT ARE FUNDED BY USAID/W. THE SPECIFIC DETAILS ON THE ABOVE ISSUES HAS OR WILL BE PROVIDED IN A SEPARATE EMAIL TO SYSTEMS ADMINISTRATORS AND THEIR MANAGERS.

THE CURRENT PLAN IS FOR ALL IBM SERVERS TO BE INSTALLED BY MID-NOVEMBER. THE APPLICATIONS SOFTWARE WILL BE SENT TO THE MISSIONS FOR INSTALLATION, THEREAFTER. THE PLANNED



DATE FOR NMS USE, IN PRODUCTION MODE, IN THE FIELD IS  
1/1/96.

THE SUN SERVERS CURRENTLY AT YOUR LOCATION WILL BE  
RETAINED AT THE POST FOR RUNNING NON-NMS UNIX-BASED  
APPLICATIONS OR PROVIDING GATEWAYS TO THE USAID NETWORK.  
NO UPGRADES ARE PLANNED FOR THESE SUN SERVERS. , ORACLE

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LICENSING FOR THE SUN SERVERS WILL NOT BE RENEWED ONCE THE  
NEW SERVERS ARE INSTALLED AND OPERATIONAL.

FOR USAID/W, THE SERVERS ARE IN PLACE AND HAVE BEEN USED  
FOR DEVELOPMENT AND TESTING OF THE NMS APPLICATIONS  
SOFTWARE.

## 2. PERSONAL COMPUTERS (PCS)

THE MINIMUM, REPEAT MINIMUM, CONFIGURATION FOR END-USER  
PCS IS A 486 WITH 16MB OF RAM AND A 400MB HARD DRIVE. SEE  
REFTEL B. FUNDING IS CLEARLY NOT AVAILABLE TO BRING ALL  
EMPLOYEES TO THAT LEVEL AND NOT ALL EMPLOYEES NEED  
FREQUENT, DESKTOP ACCESS TO THE NMS APPLICATIONS.  
MISSIONS AND USAID/W OFFICES NEED TO DETERMINE WHICH  
EMPLOYEES WILL NEED IMMEDIATE, FREQUENT ACCESS AND,  
THEREFORE, REQUIRE THE NMS AT THEIR DESKTOP, AND WHICH  
EMPLOYEES COULD USE A PC IN SHARED, GENERAL-USE SPACE  
UNTIL SUCH TIME AS THEIR INDIVIDUAL PC IS UPGRADED. THE  
SEPARATE CABLE ON APPLICATIONS FUNCTIONALITY SHOULD ASSIST  
YOU IN MAKING THOSE PC DEPLOYMENT DECISIONS. ✓

ADDITIONAL FUNDING TO PURCHASE PCS HAS PROVIDED TO THE  
UNIX SITES IN LATE JULY AND UPGRADES TO EXISTING PCS OR  
NEW PROCUREMENTS SHOULD BE UNDERWAY NOW. IT IS INCUMBENT  
UPON THE MISSIONS TO HAVE THE PC UPGRADES IN PLACE BY  
NOVEMBER 15. SPECIFIC QUESTIONS ABOUT PCS AND UPGRADES  
SHOULD BE DIRECTED TO THE SYSTEM ADMINISTRATORS. THE  
POINT-OF-CONTACT FOR THE ADMINISTRATORS IS SANDY MULDOON-  
KUNZ, IRM/TCO.

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IN WASHINGTON, IRM HAS PROCURED THE UPGRADES (MEMORY, NIC  
CARDS, HARD DRIVES) AND THE INFORMATION TECHNOLOGY  
SPECIALIST ASSIGNED TO EACH OFFICE IS NOW UPGRADING THAT  
EQUIPMENT. AN UPDATED INVENTORY OF USAID/WASHINGTON  
EQUIPMENT IS BEING CONDUCTED NOW AND EACH INFORMATION  
TECHNOLOGY (IT) SPECIALIST WILL WORK WITH OFFICE

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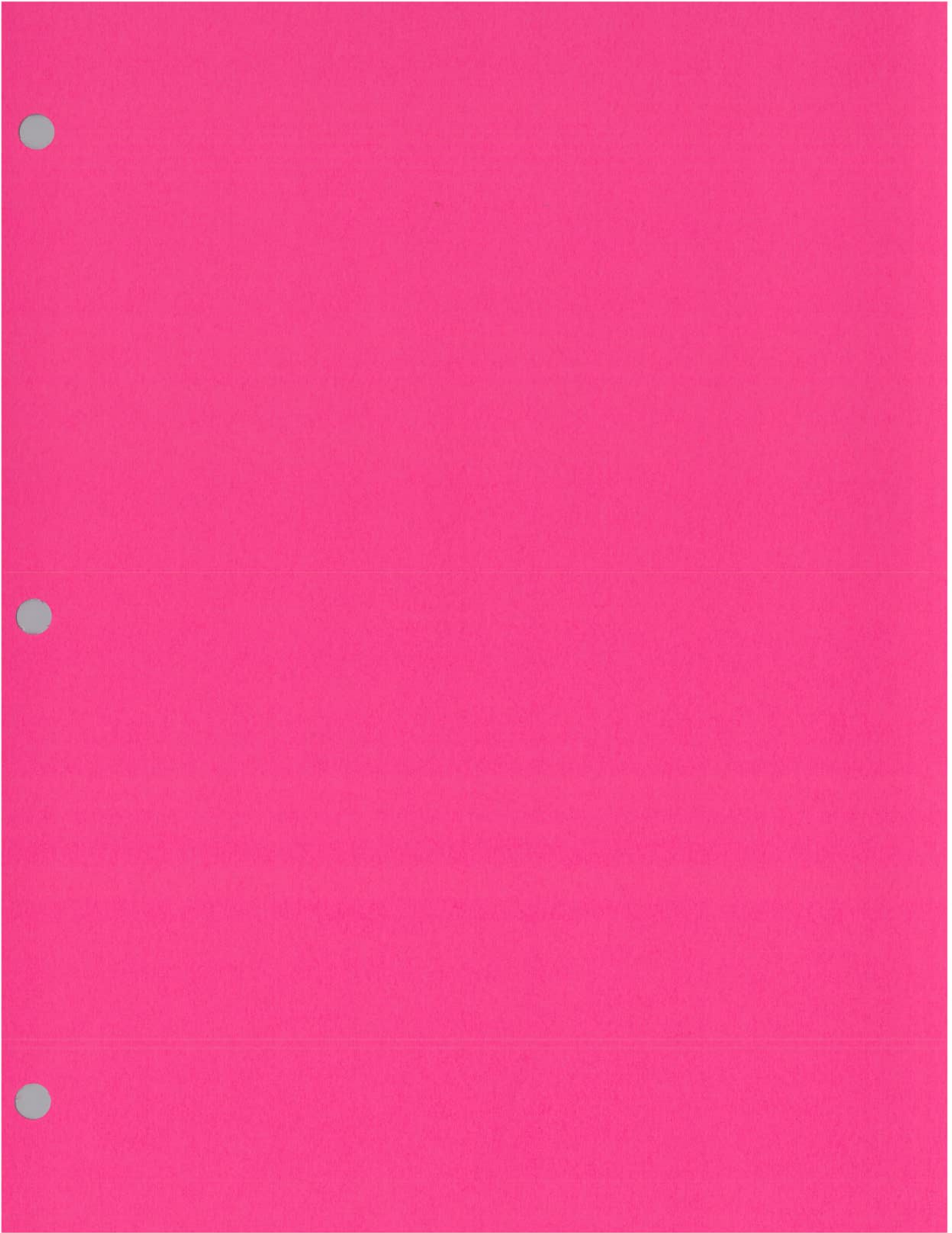
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APPROVED BY: AID/A/M:LEBYRNE AID5884  
AA/M:MLZEITLIN (DRAFT) M/MPI:CDMCGRAW  
M/OP:CJOHNSON (DRAFT) M/ROR:LTANNER (DRAFT)  
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TAGS:

SUBJECT: REENGINEERING TRANSITION GUIDANCE.CABLE NO. 4:  
NMS APPLICATIONS SOFTWARE (TGC # 4)

REFTEL: STATE 214052 (9/8/95)

I. INTRODUCTION.

RE REFTEL, THIS IS TRANSITION CABLE NUMBER 4. THE PURPOSE  
OF THIS CABLE IS TO PROVIDE APPLICATIONS INFORMATION ABOUT  
THE AUTOMATED NEW MANAGEMENT SYSTEM (NMS) TO BE

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IMPLEMENTED IN FY 1996 TO SUPPORT THE AGENCY'S KEY  
BUSINESS PRACTICES; INFORMATION ON HARDWARE/INFRASTRUCTURE  
IS COVERED IN TRANSITION CABLE NUMBER 3. THE  
ESTABLISHMENT OF REENGINEERED POLICIES, PROCEDURES, AND  
INFORMATION SYSTEMS FOR AN ENTIRE AGENCY IS A COMPLEX  
PROCESS WITH MANY COMPONENTS TO BE CLEARLY DEFINED AND  
IMPLEMENTED. THE PICTURE YOU WILL FIND BELOW IS JUST THAT

- A SNAPSHOT OF THE IMPLEMENTATION PROCESS AT THIS POINT IN TIME. YOU WILL RECEIVE FURTHER UPDATES INFORMATION BECOMES AVAILABLE.

## II. REENGINEERING IS KEY.

THE PRINCIPLE CONCEPT OF A REENGINEERED USAID IS THE ADOPTION OF PROCEDURES THAT EMBRACE THE AGENCY'S CORE VALUES: MANAGING FOR RESULTS, CUSTOMER SERVICE, TEAMWORK, AND EMPOWERMENT. THOSE NEW PROCEDURES WILL ALLOW YOU TO PLAN, ACHIEVE, MONITOR, AND EVALUATE RESULTS THAT INCORPORATE OUR BEST PRACTICES AND YOUR NEW IDEAS. THE ACCOMPLISHMENT OF THESE ACTIVITIES ARE THE RESULT OF PEOPLE WORKING TOGETHER IN A NEW WAY. ONE OF THE MANY TOOLS THAT WILL ASSIST USAID PERSONNEL IN WORKING IN THIS MANNER IS THE AUTOMATED NEW MANAGEMENT SYSTEM (NMS). THE USE OF THE NMS SHOULD NOT BE VIEWED, THEREFORE, AS HAVING REACHED USAID'S REENGINEERING GOALS - BUT, RATHER, ONE MEANS OF OBTAINING THOSE GOALS.

## III. WHAT WILL USAID BE ABLE TO DO THROUGH THE NMS?

WITH FEW EXCEPTIONS, THE FUNCTIONS LISTED BELOW CAN BE PERFORMED BY USAID PERSONNEL WHETHER OR NOT THEY HAVE THE

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NMS INSTALLED. THE WORK PERFORMED DOES NOT CHANGE BECAUSE WE HAVE AN AUTOMATED SYSTEM. THE IMPLEMENTATION OF THE NMS DOES, HOWEVER, RESULT IN FASTER PROCESSING, REDUCTION OF PAPER, GREATER COMMUNICATION OF INFORMATION FOR DECISION MAKING, ELIMINATION OF DUPLICATE DATA ENTRY, AND A REDUCTION IN ERRORS WITH A RESULTING INCREASE IN ACCURACY OF THE DATA.

THE FOUR BUSINESS AREAS INCLUDED IN THIS FIRST SET OF SOFTWARE ARE AWACS (AGENCYWIDE ACCOUNTING AND CONTROL SYSTEM), BUDGET, ACQUISITION AND ASSISTANCE (PROCUREMENT), AND THE RESULTS TRACKING PORTION OF OPERATIONS.

A. THE KEY FUNCTIONS INCLUDED IN THE FIRST TRANCHE OF SOFTWARE ARE:

-- DEFINE AN ACTIVITY, LINKING IT TO THE PLANNED RESULTS, OBJECTIVES, AND AGENCY GOALS. DEFINE THE NATURE OF THE CAUSAL LINKS AND THE ASSUMPTIONS THAT SUPPORT THAT CAUSALITY. IDENTIFY THE TARGET CUSTOMER GROUP FOR THE ACTIVITY. DEFINE THE MEASUREMENT INDICATORS (WHETHER QUALITATIVE OR QUANTITATIVE) AND RECORD ACTUAL MEASUREMENTS. GENERATE PROJECTIONS OF FUTURE PROGRESS AGAINST MEASUREMENTS.

-- DISTRIBUTE PREVIOUSLY NEGOTIATED OYB LEVELS TO THE MISSION/BUREAU LEVEL FOR FY96. (FY96 OYB PLANNING AND NEGOTIATING WILL TAKE PLACE OFF-LINE FOR THIS FY, BUT THESE FUNCTIONS WILL BE INCLUDED IN FUTURE RELEASES OF THE SOFTWARE). WITHIN THE MISSION/BUREAU, DISTRIBUTE THE OYB LEVELS PROVIDED BY USAID/W TO THE STRATEGIC OBJECTIVE,  
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ACTIVITY, AND SUB-ACTIVITY LEVEL, AS APPROPRIATE.

-- PLAN PROCUREMENTS, TO THE LINE ITEM LEVEL, AND CREATE A DETAILED REQUEST THAT INCLUDES THE STATEMENT OF WORK, DELIVERY SCHEDULE, TECHNICAL AND LOGISTICAL REQUIREMENTS, AND APPLICABLE WAIVERS AND JUSTIFICATIONS. THE SOFTWARE ALLOWS AN EARLY IDENTIFICATION OF THE PROCUREMENT TEAM, CONSISTING OF THE TECHNICAL TEAM MEMBERS, THE DESIGNATED 'REQUESTOR' OF GOODS OR SERVICES, THE ACTIVITY OR STRATEGIC OBJECTIVE MANAGER, THE CONTRACTING OFFICER, AND THE NEGOTIATOR. IT ALSO ALLOWS THE ELECTRONIC ROUTING OF THE PROCUREMENT PLAN/REQUEST TO OTHERS FOR COMMENT/APPROVAL.

-- IDENTIFY THE FUNDING FOR THE PROCUREMENT TO THE LINE ITEM LEVEL AND COMMIT THE FUNDS THROUGH ELECTRONIC SIGNATURE. THE COMMITMENT IS PERFORMED BY THE ACTIVITY OR STRATEGIC OBJECTIVE MANAGER DESIGNATED IN THE MISSION/BUREAU/OFFICE TO HAVE THAT AUTHORITY.

-- EXECUTE PROCUREMENTS (CONTRACTS, ASSISTANCE INSTRUMENTS, SMALL PURCHASES), INCLUDING ADVERTISING OF SOLICITATION, EVALUATION OF RESPONSES, DESIGNATION OF AWARDEE. THE SOFTWARE ALSO ALLOWS FOR RECORDING ANY PRE-OR POST-AWARD PROTESTS AND PERTINENT INFORMATION RELATING TO EACH PROPOSAL.

-- MAINTAIN A VENDOR DATABASE WHICH INCLUDES VENDOR'S CAPABILITIES, PERFORMANCE ON OTHER CONTRACTS, MULTIPLE LOCATIONS, ETC. THIS DATABASE IS USED FOR BOTH THE ISSUANCE OF CONTRACTS AND THE PAYMENTS TO VENDORS.

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-- OBLIGATE FUNDS. THE OBLIGATION IS ALSO DONE THROUGH ELECTRONIC SIGNATURE AND IS PERFORMED BY THE PERSON WITH CONTRACTING OFFICER/WARRANT AUTHORITY.

-- RECORD DELIVERY SCHEDULES AND RECEIPT, ACCEPTANCE, OR REJECTION OF GOODS/SERVICES.

-- PAY FOR GOODS/SERVICES RECEIVED, WITH APPROPRIATE INTEREST OR DISCOUNTS CALCULATED; AUTOMATED TRANSMISSION OF PAYMENT DATA FROM USAID/W AND THE MISSIONS TO TREASURY.

-- POST, AUTOMATICALLY, COMMITMENTS AND OBLIGATIONS TO THE GENERAL LEDGER AS WELL AS THE ABILITY TO POST APPORTIONMENTS, ALLOTMENTS, APPROPRIATIONS, DFCOMMITMENTS, DEOBLIGATIONS.

-- REPORT OFFICIAL AGENCY FINANCIAL STATUS TO TREASURY AND THE OFFICE OF MANAGEMENT AND BUDGET (OMB).

-- CALCULATE AMORTIZATION SCHEDULES, COLLECTIONS, AND RECEIVABLES FOR LOANS; RESCHEDULE, CAPITALIZE, AND REFINANCE LOANS; RECORD THE SALES OF LOAN MATURITIES.

-- OBTAIN INFORMATION TO SUPPORT DECISION-MAKING THROUGH AD-HOC QUERIES OR STANDARD REPORTS ALREADY PROGRAMMED IN THE SYSTEM. THE SOFTWARE WILL BE AVAILABLE IN ALL MISSIONS/OFFICES TO PERFORM THE NECESSARY QUERIES AND STRUCTURE THE CORPORATE DATA IN WAYS THAT TURN THE DATA INTO USEFUL INFORMATION UPON WHICH MANAGERS CAN MAKE

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DECISIONS.

B. THE NMS ALSO SUPPORTS THE FOLLOWING ACTIONS WHICH ARE CLEAR BENEFITS TO USING AUTOMATION FOR OUR WORK:

-- ELECTRONIC TRANSMISSION OF REQUESTS FOR QUOTATION (RFQS), RFQ RESPONSES, AND PURCHASE ORDERS.

-- ELECTRONIC APPROVAL OF DOCUMENTS, CREATING THE ELECTRONIC FUNDING (COMMITMENT AND OBLIGATION).

-- ELECTRONIC STATUS REPORT ON PAYMENTS FOR ACCESS BY AGENCY VENDORS.

#### IV. DATA MIGRATION.

A LARGE EFFORT IS UNDERWAY TO MIGRATE EXISTING PROJECT DATA, WITH ALL APPLICABLE FINANCIAL AND CONTRACTUAL INFORMATION, TO THE NEW ACTIVITY STRUCTURE. TO THE EXTENT DATA THAT IS ALREADY IN SYSTEMS CAN BE MOVED TO THE NEW SYSTEM, IT WILL BE. THERE IS SOME INFORMATION, SUCH AS STRATEGIC OBJECTIVES AND AGENCY GOALS, THAT DIDN'T EXIST PREVIOUSLY. ALL OFFICES/MISSIONS WILL BE RECEIVING DETAILS ON THE DATA THAT WE ARE ABLE TO CONVERT AND GUIDANCE ON HOW TO FILL IN THE MISSING PIECES. IN THE MEANTIME, EACH MISSION/OFFICE SHOULD REVIEW THEIR EXISTING PROJECT PORTFOLIO AND IDENTIFY THE ACTIVITIES AND

APPLICABLE STRATEGIC OBJECTIVES TO WHICH EACH SHOULD BE ASSIGNED.

V. ARE THE SYSTEMS INTEGRATED?

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THE SYSTEMS ARE INTEGRATED FROM A DATA PERSPECTIVE. THAT IS, EACH PIECE OF INFORMATION IS ENTERED ONLY ONE TIME AND IS REFLECTED, AS APPROPRIATE, IN OTHER MODULES OF THE SOFTWARE.

INTEGRATION CAN ALSO OCCUR FROM A PERSPECTIVE OF THE 'LOOK AND FEEL' OF THE SCREENS. IN THIS REGARD, THE FULL INTEGRATION IS NOT COMPLETE. IN ORDER TO CONCURRENTLY

DEVELOP SOFTWARE FOR FOUR LARGE BUSINESS AREAS, A PROJECT TEAM WAS CREATED FOR EACH AREA. TO THE EXTENT THAT THE FOUR TEAMS COULD MAKE THEIR SEPARATE COMPONENTS 'LOOK AND FEEL' LIKE EACH OTHER WITHIN THE DELIVERY SCHEDULE, THEY HAVE DONE SO. THERE IS MORE WORK TO BE DONE ON THIS AND MODIFICATIONS WILL BE INCLUDED IN AN UPDATE TO THE NMS SOFTWARE NEXT SPRING.

VI. WHAT WILL BE IN FUTURE VERSIONS OF THE NMS?

THE SCHEDULE FOR DELIVERY OF THE FIRST SET OF SOFTWARE DID NOT ALLOW FOR ALL FUNCTIONS TO BE INCLUDED. THE NEXT RELEASE, CURRENTLY PLANNED FOR THIS SPRING, WILL INCLUDE THE FOLLOWING ADDITIONAL FUNCTIONS. (NOTE: IF SOME OF THESE ARE COMPLETED AT THE TIME WE DELIVER SOFTWARE IN DECEMBER, THEY MAY BE INCLUDED WITH THAT RELEASE).

-- ROLL MULTIPLE PROCUREMENT REQUESTS INTO ONE CONTRACT AWARD.

-- DEFINE, ALLOCATE AND TRACK FUNDS DIRECTED TOWARD AGENCY GOAL AND OBJECTIVE, CONGRESSIONAL EARMARKS AND  
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DIRECTIVES, ACTIVITY AND SPECIAL INTEREST CODES, ETC.

-- CREATE AND ANALYZE ALTERNATIVE BUDGET SCENARIOS, DETERMINE THE TOTAL USAID FUNDING BENEFITTING A COUNTRY NO MATTER THE FUNDING SOURCE WITHIN THE AGENCY, AND ANALYZE OPERATING EXPENSE COST CATEGORIES.

-- PLAN AND IMPLEMENT THE STRATEGIC FRAMEWORK AND



ACTIVITIES INCLUDING BUDGET REQUEST AND FORMULATION, ACTIVITY SCHEDULING, FORMATION OF TEAMS, SELECTION OF CUSTOMERS AND FORMULATING CUSTOMER SERVICE PLANS, AND COLLECTION OF ACTIVITY-RELATED DATA; GENERATION OF ELECTRONIC DOCUMENTS REQUIRED IN THE PROGRAMMING PROCESS.

-- TRANSMIT ELECTRONICALLY VOUCHERS FROM THE VENDOR TO USAID AND SUBSEQUENT ELECTRONIC PAYMENT OF THOSE VOUCHERS TO THE VENDOR'S ACCOUNT.

-- PAY VENDORS IN FOREIGN CURRENCY.

-- RECORD AND GENERATE A BILL FOR ACCOUNTS RECEIVABLE. ACCRUE INTEREST, PENALTY AND FEE CHARGES, AS APPROPRIATE. CALCULATE AGING ON RECEIVABLES, RECORD AND APPLY COLLECTIONS.

-- ADJUST COMMITMENTS AND OBLIGATIONS.

-- ESTIMATE AND POST ACCURALS TO BOTH PROJECT AND GENERAL LEDGER.

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-- PROCESS PAYROLL FOR USAID EMPLOYEES.

-- ENHANCE REPORTING CAPABILITY.

#### VII. WHO ARE THE RECIPIENTS OF THE SOFTWARE?

ALL OPERATING UNITS WITHIN USAID WILL BE RECEIVING THE SOFTWARE. IN ADDITION TO SUPPORTING THE REENGINEERED BUSINESS PROCESSES, THE PRIMARY GOAL OF THE NMS WAS TO REPLACE EXISTING CORPORATE SYSTEMS AND HAVE ONE, INTEGRATED DATABASE. THE FIRST PRIORITY WAS THE REPLACEMENT OF FAGS (THE FINANCIAL ACCOUNTING AND CONTROL SYSTEM USED IN USAID/W), MACS (THE MISSION ACCOUNTING AND CONTROL SYSTEM), AND CIMS (THE CONTRACT INFORMATION MANAGEMENT SYSTEM). THEREFORE, THE INITIAL FOCUS IS ON THE LOCATIONS THAT HAVE THOSE THREE SYSTEMS. THE DELIVERY WILL OCCUR FIRST IN USAID/WASHINGTON, FOLLOWED BY THE 44 UNIX INSTALLATIONS OVERSEAS, AND FINALLY THE NON-UNIX MISSIONS. THE DETAILS SUPPORTING THE ROLLOUT PLAN ARE IN THE INFORMATION BELOW AS WELL AS IN TRANSITION CABLE NUMBER 3 ON NMS INFRASTRUCTURE (SEE REFTEL).

NOT ALL EMPLOYEES WILL NEED TO USE THE NMS ON A REGULAR BASIS. ACTIVITY MANAGERS, PROCUREMENT OFFICIALS, AND CONTROLLER STAFF ARE LIKELY TO BE THE HEAVIEST USERS. THOSE WHO PERIODICALLY PLAN AN ACTIVITY, REQUEST A

PROCUREMENT, PREPARE THE BUDGET, OR APPROVE A PAYMENT MIGHT BE INTERMITTENT USERS AND, THEREFORE, NEED ACCESS TO THESE SYSTEMS ON A LESS-THAN-FULLTIME BASIS. AS OFFICES DEPLOY THE PCS NECESSARY TO RUN THESE SYSTEMS, THEY MUST BASE THEIR DEPLOYMENT OF THE 486 PCS ON THE NEEDS OF THE

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USERS TO ACCESS THE NMS. THE FUNCTIONALITY OF THOSE SYSTEMS, LISTED IN PARA III ABOVE, SHOULD ASSIST YOU IN DETERMINING WHO NEEDS ACCESS TO THE APPLICATIONS.

VIII. WHEN IS THE TRANSITION TO THE NMS?

A NUMBER OF FACTORS CONTRIBUTE TO THE ABILITY TO ROLLOUT THE SOFTWARE, NOT THE LEAST OF WHICH IS HAVING THE TECHNICAL HARDWARE IN PLACE TO RUN THE SYSTEMS. SEE TRANSITION CABLE NUMBER 3 FOR DETAILS ON THE TECHNICAL INFRASTRUCTURE. THE CURRENT PLANS ARE AS FOLLOWS:

A. USAID/W: OCTOBER 1995

THE SOFTWARE WILL BE INSTALLED IN USAID/W IN EARLY OCTOBER AND WILL BE USED FOR THE INPUT OF FY96 DATA/TRANSACTIONS. REPRESENTATIVES FROM EACH OFFICE/BUREAU WILL BE TRAINED ON

THE FOUR MODULES OF THE SYSTEM DURING THE PERIOD 10/16/95 THROUGH 12/15/95. THE TRAINING COURSE OUTLINE, NUMBERS OF PEOPLE WHO CAN BE TRAINED, AND EXACT DATES ARE BEING DEVELOPED NOW. FURTHER INFORMATION WILL BE PROVIDED TO ALL OFFICES/BUREAUS.

B. MISSIONS WITH UNIX SERVERS: JANUARY 1996

A PROCUREMENT IS UNDERWAY TO REPLACE THE SERVERS IN YOUR MISSION. TRANSITION CABLE NUMBER 3 PROVIDES DETAILS AND A LIST OF THE UNIX SITES. IT IS ANTICIPATED THAT THE SERVERS WILL BE INSTALLED IN THE MISSIONS BY LATE NOVEMBER. ONCE THE SERVERS ARE INSTALLED, THE NMS

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APPLICATIONS WILL BE LOADED. THEREFORE, THE CURRENT SCHEDULE IS FOR THE 44 UNIX MISSIONS TO BEGIN USING THE SOFTWARE IN A PRODUCTION MODE IN JANUARY 1996. TRAINING ON THE NMS APPLICATIONS WILL BE PROVIDED AT REGIONAL LOCATIONS FOR REPRESENTATIVES FROM EACH MISSION BEGINNING 1/7/96. THE TRAINING COURSE OUTLINE, NUMBERS OF PEOPLE TO BE TRAINED, EXACT LOCATIONS, AND DATES ARE BEING DEVELOPED NOW.

C. NON-UNIX MISSIONS:

THE NON-UNIX MISSIONS WILL BE PERFORMING THE SAME BUDGET, ACQUISITION AND ASSISTANCE, AND RESULTS TRACKING FUNCTIONS AS THOSE MISSION WITH UNIX SERVERS. TESTS ARE IN THE FINAL STAGES TO DETERMINE THE HARDWARE/SOFTWARE SOLUTION FOR EACH SITE. A DELIVERY TIME WILL BE BASED, IN PART, ON THE PROCUREMENT OF ANY APPLICABLE SOFTWARE AND HARDWARE UPGRADES. A FINAL DECISION WILL BE COMMUNICATED TO THESE MISSIONS NLT 11/15/95.

IX. TRAINING PLANS

A. TRAINING OR ORIENTATION COMPLETED

THIS SUMMER, TRAINING WAS PROVIDED TO ALL OFFICE OF PROCUREMENT (M/OP) CONTRACTING OFFICERS, NEGOTIATORS, AND PROCUREMENT TECHNICIANS ON THE ACQUISITION AND ASSISTANCE SOFTWARE. IN ADDITION, AT LEAST ONE CONTRACTING OFFICER PER OVERSEAS MISSION WAS TRAINED, AS WELL AS SEVERAL FSN NEGOTIATORS.

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ALSO THIS SUMMER, ALL CONTROLLERS IN WASHINGTON ON HOME LEAVE HAVE RECEIVED AN ORIENTATION OF AWACS. DETAILED AWACS TRAINING WILL OCCUR IN THE REGIONAL TRAINING DISCUSSED BELOW.

TWO HUNDRED PEOPLE ATTENDED THE TRAINING OF TRAINERS

COURSES DURING JULY AND AUGUST. THE COURSE CONTENT COVERED THE REENGINEERED BUSINESS PROCESSES, THE CORE VALUES AND SKILLS FOR TRAINERS. THE PARTICIPANTS WERE ALSO EXPOSED TO THE EMPLOYEE EVALUATION PROGRAM (EEP) AND THE NEW MANAGEMENT SYSTEMS (NMS). THE ATTENDEES TOOK A PRESENTATION OF THE NMS WITH THEM TO PRESENT TO THEIR MISSION/OFFICE COLLEAGUES. THAT PRESENTATION FOLLOWS A SAMPLE SCENARIO FOR A BILATERAL ACTIVITY IN HONDURAS FROM CREATION OF THE STRATEGIC OBJECTIVE THROUGH TO THE PAYMENT OF VOUCHERS AND MEASUREMENT OF RESULTS.

B. UPCOMING PRESENTATIONS

IN SEPTEMBER, TWO PRESENTATIONS WILL BE MADE - ONE IN ROSSLYN AND ONE IN NEW STATE - FOR EMPLOYEES WHO WISH TO SEE THE SYSTEMS. EXACT DATES AND TIMES WILL BE ANNOUNCED.

C. DETAILED TRAINING: USAID/W AND OVERSEAS

TRAINING ON ALL FOUR BUSINESS AREAS WILL BE PROVIDED TO

REPRESENTATIVES FROM EACH BUREAU/OFFICE IN USAID/W DURING THE PERIOD 10/16/95 THROUGH 12/15/95. FOR MISSIONS, REGIONAL TRAINING WILL BEGIN 1/7/96. AS MENTIONED IN PARA IV, DETAILS ARE TO FOLLOW.

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X. POINTS OF CONTACT

THROUGHOUT THE ROLLOUT AND SUBSEQUENT USE OF THE NMS, SUGGESTIONS FOR IMPROVEMENTS AND CORRECTIONS IN THE FUNCTIONALITY OR SCREEN DESIGNS MAY BE MADE TO THE FOLLOWING PROJECT LEADERS:

- DOUG ARNOLD, ACCOUNTING (AWACS)
- LARRY TANNER, OPERATIONS (RESULTS TRACKING AND, LATER, PLANNING AND IMPLEMENTATION)
- KEN MILOW, BUDGET
- CARRIE JOHNSON OR TERRY PAYNE, ACQUISITION AND ASSISTANCE

ISSUES WITH RESPECT TO REENGINEERED BUSINESS PROCESSES AND CORE VALUES SHOULD BE DIRECTED TO THE RESULTS ORIENTED REENGINEERING (ROR) TEAM (RICHARD BYESS, DIRECTOR, M/ROR). QUESTIONS REGARDING THE CONTENTS OF THIS CABLE MAY BE DIRECTED TO THE NMS TASK FORCE, DIANNE ARNOLD OR MICHAEL

ZEITLIN.  
CHRISTOPHER

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NNNN

APPROXIMATELY 10:30 AM IN PROXIMITY OF THE COUNTY JAIL  
AND OTHER LOCATED THROUGHOUT THE AREA  
AND WILL BE HELD AT THE COUNTY JAIL

DEPARTMENT

CHIEF

STATE OF CALIFORNIA

OFFICE

THE FOLLOWING IS A SUMMARY OF THE  
INVESTIGATION AND CONDUCTED BY THE  
OFFICE OF THE DISTRICT ATTORNEY IN  
THE MATTER OF

THE ABOVE NAMED PERSONS AND  
THEIR RELATIONS TO THE MATTER AND  
THEIR STATUS IN THE MATTER

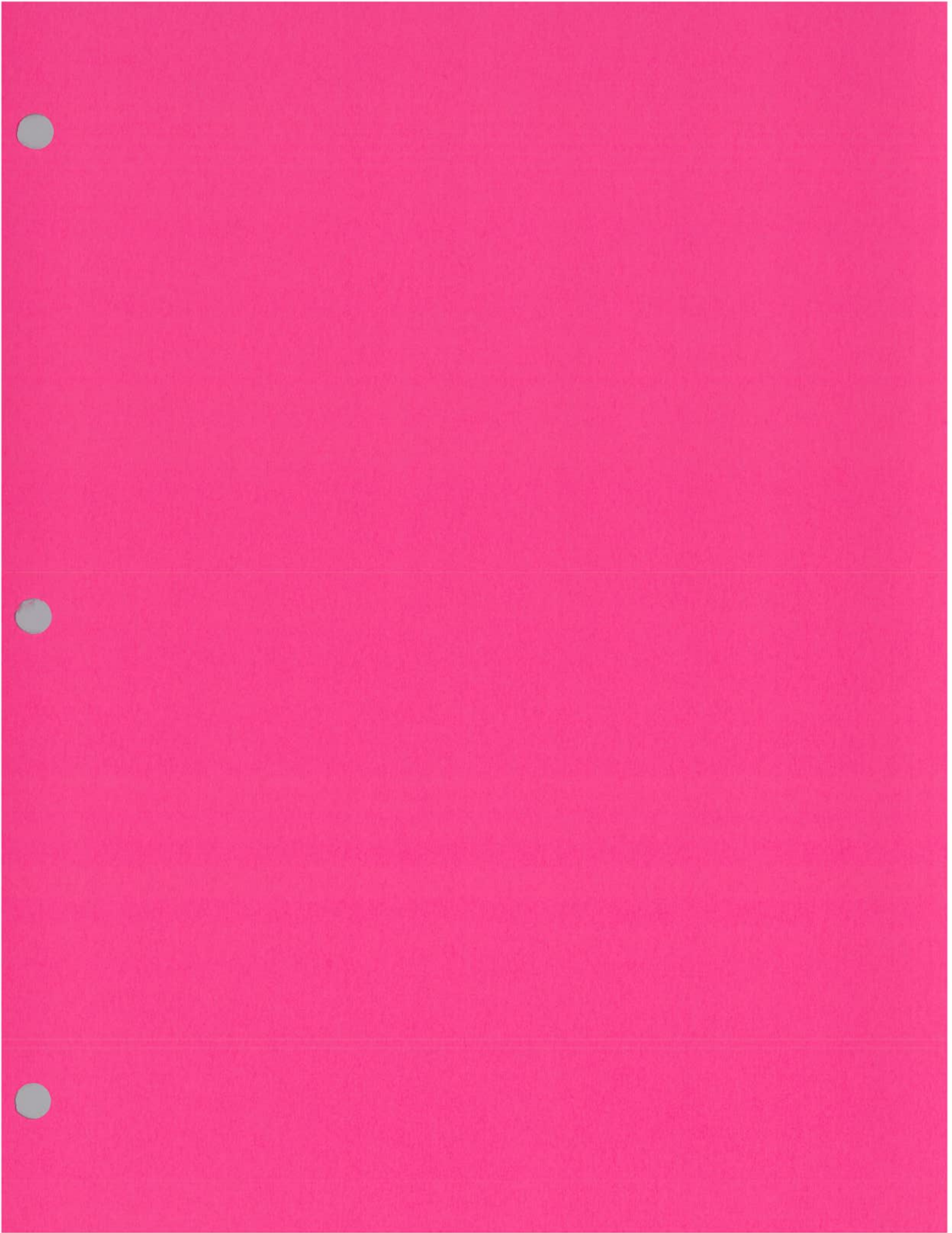
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DATE



INFORMATION

USAID/GENERAL NOTICE

M/ROR

10/05/95

SUBJECT: Reengineering Transition Guidance Cable No. 5:  
Customer Service Planning

REF: STATE 214052

I. Summary

This notice provides guidelines, information, and contacts to assist USAID missions and offices in developing customer service planning as part of Agency reengineering. Consistent with the Administrator's statement of principles on participatory development (STATE 94/007970) the reengineering team's Business Area Analysis of USAID operations highlighted the fact that participatory approaches and close attention to customer service are critical elements in reengineering our Agency. These elements have been incorporated in USAID's new automated directives system (ADS), which will guide operations beginning October 1, 1995. Effective customer service planning will assist missions and offices in reducing transaction costs associated with delivering program resources to our partners and customers. By identifying probable customers and assessing their needs as we determine country and sector strategies, and engaging potential customers to participate as we plan, implement, monitor and evaluate activities aimed at achieving results toward our strategic objectives, we will obtain greater support and commitment from our customers and encourage more effective and sustainable outcomes for USAID programs. Customer service planning is an ongoing process. Customer service plans provide essential input to operating units' strategic plans, and to results review and resource requests.

II. What Should a Customer Service Plan Contain?

Customer Service Planning (CSP) is a tool for operating units which manage program resources to achieve results. Planning should be designed to meet the specific information needs of the operating unit, to enable the unit to better determine the obstacles, opportunities and benefits experienced by its various customers (male and female, young and old, ethnic and religious groups etc.) In accessing and using a unit's program services,

and their views of its service performance; allow the unit to develop performance measurements and standards which may result in improvements in its programs; assess the unit's comparative strengths in the host country and identify weaknesses which can then be addressed systematically; establish internal communications regarding customers within the unit's teams, and provide for responsive communications between the unit and its partners and customers; and allow the unit to express its commitment to quality service, and to USAID's goals and values, in its host-country context.

In conformity with the U.S. Government's Executive Order 12862, which specifies criteria for customer service plans, an operating unit's customer service planning documents reflect its customer service planning process. Customer service plans should:

- A. Present and explain the unit's "vision" for achieving its objectives via its reengineering efforts;
- B. Identify the unit's customers and partners, reflecting the unit's decisions about the strategic focus of its program, and how they are linked both to USAID and to each other;
- C. Identify and describe the services being, or planned to be, provided to customers and partners, and indicate the points of contact for each service;
- D. Explain how customers have been surveyed to determine their views of the unit's services, and when they will be surveyed again;
- E. Present the areas identified by surveying customers for improving service provision and service quality, and explain the actions the unit intends to take to address these issues;
- F. Identify the key customer service standards which the unit develops and to which it will commit itself -- such as reliability (the ability to perform dependably and accurately), responsiveness (willingness to act effectively, appropriately, and promptly in response to a proposal, situation, or concern), courtesy, assurance (ability to convey trust and confidence), empathy (ability to demonstrate caring and concern for individual customers), and physical arrangements or procedures which facilitate effective customer contacts;



G. Explain how customer survey findings, and customer service standards, will be communicated to partners and customers; and

H. Note unit points of contact for customer service issues -- names, titles, responsibilities, addresses, telephone, fax, and E-Mail information.

The customer service plan should be in a form which can be widely distributed and shared with customers, partners, and stakeholders, and within the Agency. The document will reflect an iterative planning process and is subject to periodic review and revision within the operating unit. Customer service plan documents are not reviewed and approved outside the operating unit itself. The unit's initial customer service plan, based on a combination of existing information and additional customer assessments and prepared as part of the unit's transition to the new operating system, will be "replaced" by succeeding versions which incorporate further feedback from customers, partners, and operating experience. Customer service planning provides essential input to the operating unit's strategic planning, results reporting, and resource requests, submitted periodically to AID/W.

### III. Definitions:

A. Customer Service Plan. A working document which describes the operating unit's ongoing and proposed actions for identifying and engaging the participation of its customer groups and partners in planning, implementation, monitoring and evaluation of its programs. Operating units are encouraged to follow good business practice to use customer input and feedback to improve decision making, customer service quality, and customer satisfaction.

B. Ultimate Customers. The National Performance Review defines "customer" as "an individual or entity who is directly served by a department or agency." USAID's agency-level customer service plan defines our ultimate customers as those host country people, especially the socially and economically disadvantaged, who are end users or beneficiaries of USAID assistance and whose participation is essential to achieving sustainable development results. An operating unit's ultimate customers are defined as those who are end users or beneficiaries of activities under its strategic objectives.

C. Intermediate Customers. Persons or organizations, internal or external to USAID, who use USAID services, products, or resources to serve indirectly or directly the needs of the ultimate customers.

D. Partner. An organization or customer representative with which/whom USAID collaborates to achieve mutually agreed upon objectives and to secure customer participation. Partners include U.S. Private and Voluntary Organizations (PVOs), indigenous and other international non-governmental organizations, universities and other USG agencies, host country governments at all levels, U.N. And other multilateral organizations, professional and business associations, and private business. To the extent that USAID resources or activities facilitate a partner's ability to achieve results, partners are also intermediate customers.

E. USAID Contractor. An organization or individual acting as an agent of USAID and carrying out a scope of work financed by USAID. Although the relationship between USAID and a contractor is qualitatively different from that between USAID and a partner, in terms of service delivery links to USAID's ultimate customers, contractors are also intermediate customers whose performance is related to the reliable and timely action of USAID operating units.

F. Stakeholder. Parties whose support or acquiescence is necessary for USAID program success and achievement of political, developmental, and/or humanitarian assistance goals (host country persons or groups; the US Congress and Executive Branch; U.S. taxpayers, PVOs, universities, and private firms; other donors, etc.).

G. Participation. The active engagement of partners and customers in formulating ideas, committing time and resources, jointly making decisions, and taking action to bring about a desired development objective.

H. Surveying. A "cover term" for a wide range of methods/techniques intended to obtain quantitative and qualitative input on USAID programs' service delivery performance from customers and provide deeper understanding of the socio-political and economic contexts in which various customers live

and work. It can include -- singly and in combination -- focus groups, consultations, rapid appraisals, mini-surveys, formal large scale surveys, individual and group interviews. Decisions on what methods to use are based on assessment of the kinds of information needed as well as other considerations (time limitations, finances, technical resources/expertise available, logistics, etc.)

#### IV. Steps in Initiating Customer Service Planning.

Since each unit operates in a unique cultural as well as developmental context, it is most appropriate to offer broad suggestions (based on similar types of efforts in the past) as guidance, rather than a specific but possibly unrealistic plan of action. Missions and offices vary widely in program size, staff resources, budget and other resources, and logistical support. Customer service plans, like strategic plans, must aim for achieving results in a practical, implementable fashion. To repeat: customer service planning is a work process management tool which enables operating units to obtain essential feedback and incorporate it into operations to achieve better program performance. Customer service plans should, therefore, be kept as simple, and practical, as possible. They should be created in-house, and not produced by external specialists, if they are to be "owned" by the unit itself.

A. The unit should designate one or more individuals to coordinate customer service planning efforts across strategic objective teams and to serve as liaison for customer service issues with AID/W. He/she should have some familiarity with evaluation/monitoring methods and/or total quality management approaches, and experience with social soundness and institutional assessments/surveying techniques. In field missions, one or more FSN staff should be included to backstop the CSP effort, providing insight into local factors and/or conditions which could affect customer service, as well as long-term continuity for managing customer service in the future. This customer service team can also serve as the contact point for customer service backstopping from AID/W. CSP activities may be intensive at times, and should be incorporated into the designated individuals' work plans.

B. Customer service planning should be kept as simple and practical as possible. Before designing customer surveys, the unit should review its existing knowledge base and use documentary and other sources to develop information regarding its current and potential customers, customer networks, and the socio-political and economic contexts which affect various customers' participation in its programs. Information should include:

1. The unit's ultimate customers for its program portfolio -- defined according to the strategic objectives of the unit's program and taking into account gender, ethnicity, age and other social factors as appropriate to the country program context.
2. The linkages between the unit, its partners, and its ultimate customers -- a description of the unit's customer network and the roles of the various components of that network.
3. The actual contact points between the unit, partners, and customers, and the frequency of contacts, and where they occur.
4. What different types of customers and partners expect from the unit's programs.
5. What these customers and partners feel is most satisfactory, and what is least satisfactory, about the unit's programs.
6. The key stakeholders of the unit's programs, and their influence and relations with different customers and partners. Are they in some instances also partners -- or customers?

C. The operating unit's teams responsible for the management of program resources toward achievement of strategic objectives should then lead focused in-house discussion of these questions, and others that will emerge, so that the unit reaches a working consensus on who its actual and potential customers and partners are; current practices regarding customer relations; and the major issues affecting customer service relationships within the context of ongoing and proposed activities aimed at achieving results and meeting strategic objectives. This information may be developed through "brainstorming", document review, focus groups within the mission, key informant interviews, etc.

Information provided through team and unit discussion will enable the CSP team to develop plans, survey hypotheses, and instruments for surveying, using in-house or other resources as available and practical. This information should be based on the definitions of customers, partners, customer networks, etc., outlined in section II of this notice. If a unit is developing a country strategy, the kinds of information needed, the range of customers, and the types of surveying the unit wishes to do may be very different from what is required if it is assessing customers regarding activity design or achievement of results in an ongoing program.

D. The unit will need to determine the resources required and available for surveying to gather information for the development and periodic updating of its customer service plan; the appropriate time-frame for customer service planning activities so that the information obtained can inform the overall unit effort; sources of local assistance (consultants, universities, private firms); and mechanisms (such as local purchase orders or IQCs) which the unit may use. Based on their determination of what information is needed from customers and what makes technical, financial, and logistical sense, the unit CSP team decides which methods can be most effectively used and takes appropriate action. Methods might include facilitated focus group discussions, key informant and other interviews, consultations, formal questionnaires, mini-surveys, and/or rapid appraisals. They should aim at eliciting rapid, timely, and reliable information within the context of the unit's sociocultural setting and logistical constraints.

The unit's customer service planning should be closely integrated with its overall strategic plan. It should spell out who (in terms of gender and other relevant social categories) will implement, participate in and benefit from achievement of the strategic objectives, and how people-level impact will be measured and monitored. It should also conform to the Agency's automated directive system for planning, achieving, and monitoring and evaluation. Customer service planning must reflect the unit's core values and vision in order to be an effective management tool over the long term, and not "just another exercise for AID/W consumption". It should become increasingly better grounded in findings from customer surveys, and include customers and partners in its preparation. Customer

service planning should always look toward what might be done more effectively to deliver USAID resources and improve program-level impact related to mission strategic objectives; what customer service standards the unit will use to measure program impact and customer service quality and satisfaction; and how the unit will communicate customer survey findings and standards, and get feedback, from customers and partners. The unit should work with its partners to assist them in preparing similar customer service plans, and executing their own customer surveys.

As part of long-term planning for sustaining its efforts, units should establish a continuing capability (through, e.g., local institutions or firms familiar with customer surveying) for executing periodic customer service assessments related to mission strategic objectives and program portfolio, within staff and resource limitations.

#### V. Tools and Technical Assistance for Customer Service Plans

A. Reengineering References: Over the past several months, a number of short documents have been prepared dealing with customer service planning, service quality assessments, and techniques useful for customer surveying. In addition, several CDIE publications deal with survey methods. The Agency's Participation Initiative Staff are collecting case examples of "participatory practices", and provides a useful resource through its participation forums. The PPC Participation Initiative Staff are preparing a revised and expanded "Resources and Tools for Participation" which will be available agency-wide soon.

Contacts: Diane Lavoy, Senior Policy Advisor for Participatory Development, PPC/AA (202-447-7057), Anne Sweetser, Participation Specialist, PPC/AA (202-647-7072), Krishna Kumar, Senior Social Science Advisor, PPC/CDIE (703-875-4964), Sher Plunkett, Customer Service Officer, M/ROR (202-663-2496), and Liz Baltimore, Customer Service Officer, M/ROR (202-663-2459).

B. Technical Assistance from Contractors: M/MPI's new IQC for management consulting is oriented toward assisting units in their reengineering efforts. This IQC will be available in November 1995 to provide analytical and training support for operating units. Contacts: Susan Walls, M/MPI (202-647-0943) and Bill Alli, M/MPI, (202-647-2172).

C. Survey Software: Some Experimental Laboratory missions (CELS) have made use of "RAOSOFT Survey", a computer program which can be used to design questionnaire forms, enter data and analyze results of surveys. The software package allows the user to design questions (yes/no, multiple choice, open ended comment, weighted score, date, time or numeric format); does automatic data tabulation by frequency and percentage; and creates bar and pie charts instantly from analysis, or allows you to create your own charts. This software may be purchased by operating units to assist in developing and maintaining capability in customer surveying. Contact: Joseph Gueron, Information Systems Specialist, M/IRM (703-875-1734)

D. M/ROR Backstopping: The M/ROR customer service team will send units additional materials on customer service, customer service assessments, etc. From the National Performance Review and other sources as they are identified and become available. The team will answer questions from units regarding customer service issues and provide technical support on customer service planning, customer surveying, and participatory approaches to achieving agency goals.

Points of Contact: Sher Plunkett (phone: 202-663-2496, Fax: 202-663-2204), Liz Baltimore (phone: 202-663-2459, Fax: 202-663-2204). They will work in close coordination with the Regional Bureau Transition Coordinators, desk officers and customer service backstops, with PPC/CDIE and PPC's Senior Policy Advisor for Participation Development, and with M/IRM. Please let your regional bureau customer service backstop and the M/ROR team know what assistance you need for customer service planning in your operating unit.

Notice 1006

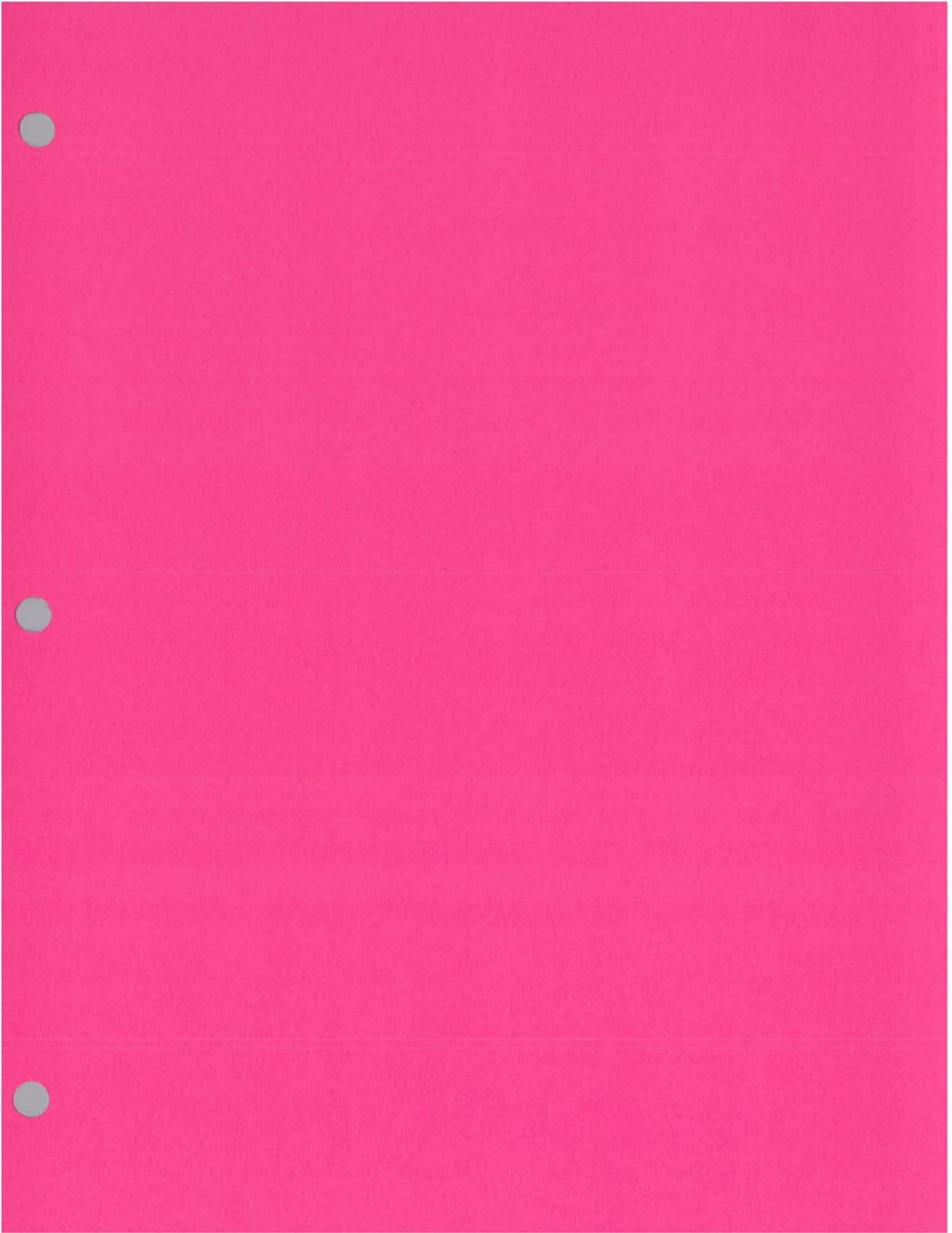
1. The first part of the document is a letter from the Secretary of the State to the Governor, dated 18th March 1941. It contains a report on the progress of the work done during the last year, and a list of the names of the members of the Council of the State who have been appointed since the last meeting of the Council.

2. The second part of the document is a letter from the Governor to the Secretary of the State, dated 20th March 1941. It contains a reply to the letter of the Secretary of the State, and a list of the names of the members of the Council of the State who have been appointed since the last meeting of the Council.

3. The third part of the document is a letter from the Secretary of the State to the Governor, dated 22nd March 1941. It contains a report on the progress of the work done during the last year, and a list of the names of the members of the Council of the State who have been appointed since the last meeting of the Council.

4. The fourth part of the document is a letter from the Governor to the Secretary of the State, dated 24th March 1941. It contains a reply to the letter of the Secretary of the State, and a list of the names of the members of the Council of the State who have been appointed since the last meeting of the Council.





INFORMATION

USAID/General Notice  
M/ROR  
10/06/95

SUBJECT: Transition Guidance Cable No. 6: Transition to  
Reengineered Operations Processes - Achieving

REF: STATE 214052

I. Introduction

A. The ADS operations directives (Chapter 201, Strategic Planning, Chapter 202, Achieving, and Chapter 203, Monitoring and Evaluating Performance), replacing Handbooks 2 and 3, went into effect October 1, 1995. This and other transitional guidance cables should be viewed as supplements to the ADS. Operating units should form teams in support of their strategic objectives, develop results frameworks for approved strategic objectives, and align current portfolios with the results frameworks. Further details on this process are provided in the guidance cable on reengineering operations processes, State 221490, and in Paragraph IV below.

B. The Achieving chapter, coupled with the Strategic Planning and Monitoring and Evaluating Performance Chapters, forms the operations directive in the series 200 Program Assistance, of the ADS. The Chapter's objective is to ensure that resources are effectively used in carrying out the Agency's development and humanitarian assistance programs, with a focus on the core values emphasizing: (1) a results orientation, (2) meeting ultimate customer (end beneficiary) needs, (3) a teamwork approach (including partners and customers), and (4) empowerment and accountability for those individuals and management units closest to the development and humanitarian problems being addressed. Those responsible for drafting the Achieving Chapter coordinated with those drafting other series 200 directives; e.g., participant training, disaster assistance, food aid, housing guarantees, environmental procedures, and various other policies, to help assure consistency in the directives bearing on the implementation of USAID assistance

programs.

## II. What Will be Different in the Reengineered USAID?

### A. Results Orientation:

1. Greater emphasis is placed on achieving results. While input/output management remains important, Agency staff at all levels are expected to stay focused on the results (established in the results framework) which are essential to accomplishing a given strategic objective. The annual operating unit's results review and resources request (R4) submission will focus on the progress being made in accomplishing planned results, and budget allocations and individual performance evaluations will give higher priority to such progress. Performance monitoring information and evaluation findings will figure prominently in registering progress and making adjustments to implementation arrangements in order to achieve planned results.

2. Results packages provide a more versatile instrument for achieving a strategic objective. Strategic objective teams will organize activities in results packages to accomplish the results set forth in the results framework and deemed essential to accomplishing the related strategic objective. A results package consists of people, funding, authorities, activities and associated documentation required to achieve a specified result(s) within an established timeframe. It is managed by a strategic objective team or, if desired, by a subsidiary team (results package team). In addition, strategic objective teams create, modify and disband results packages as required to meet changing circumstances pursuant to the achievement of the strategic objective.

### B. Role of Customers:

Closely linked to the results orientation discussed above is a substantially enhanced role for customers to play in all phases of USAID programming. Operating units will be following their customer service plans in engaging both customers and partners in program implementation, as well as program planning, monitoring and evaluation. The objective is to ensure that both intermediate customers

(people and organizations using USAID resources to meet the needs of the ultimate customer, or end-beneficiaries) and ultimate customers are appropriately integrated into USAID's standard operating procedures for executing programs and achieving results. Operating units, particularly the strategic objective core team, will need to consider carefully how best to engage and retain representatives of customers and key development partners on the strategic objective expanded team (see team discussion, below). In addition to customer and partner representation on the strategic objective team, the priority needs and desires of customers can be ascertained through focus groups, town meetings, formal and informal consultations, customer surveys or research, and rapid appraisals.

C. Role of Teams:

The role of teams in managing resources for results is given greater prominence in the reengineered USAID. While teamwork begins at the planning stage, it is mandatory at the implementation stage. Following agreement on a Management Contract between the cognizant bureau and the operating unit, operating units will establish the authorities and other parameters governing strategic objective team operations and designate a strategic objective core team for each approved strategic objective. The core team, consisting of USAID employees and others authorized to carry out inherently U.S. governmental functions, will establish the strategic objective expanded team, which shall include partners, customers and others relevant to or impacted by the attainment of the strategic objective. The combined core and expanded teams constitute the strategic objective (SO) team. The SO team members are expected to hold themselves individually and collectively accountable for achieving the strategic objective. This principle also applies to subsidiary teams designated by the SO team to achieve a specified result or set of results.

D. Empowerment and Accountability:

1. A central precept of reengineering is the empowerment

and accountability provided to management units and individuals as close as possible to the development and humanitarian problems being addressed by this Agency. In this spirit, delegations of authority are expected to flow further and more broadly down the chain of command from the Administrator to Assistant Administrators to the heads of operating units to strategic objective teams and their subsidiary teams. Where delegations flow from the Administrator to central bureaus and offices, the same principle would apply. Obviously, those delegated responsibilities at each stage must make informed judgments about further delegations. Delegations are concurrent and one is not relieved of responsibility by delegating to a lower level in the chain of command. It is incumbent on each level of management to insure, in making delegations, that the capacity, experience, judgment and technical knowledge exist that is required by the next lower level to responsibly exercise delegated authorities.

2. Teams are expected to hold themselves accountable and to insure that the team contains the capacity, experience, judgment and technical knowledge required to insure that the agency's requirements (legal, policy and essential procedures) are complied with in conducting Agency business. In terms of accountability, to the maximum extent possible, individual performance work plans and evaluations will be tied to results and related benchmarks contributing to established strategic objectives, strategic support objectives or special objectives.

### III. Documentation Requirements

A. While every effort has been made to reduce regulations and documentation requirements, there remains a set of documents which operating units will need to prepare, issue and retain. These are listed in Appendix B of Chapter 202, and include the following: Strategic Plan, Management Contract, Customer Service Plan, Results Review and Resource Request, Congressional Presentation, obligation documents, nonobligating agreements (e.g., Memorandums of Understanding), implementation orders, implementation letters, results frameworks and associated results package documents, closeout reports, audits,

performance monitoring documents, budget information, Congressional Notifications, waivers, environmental reviews, statutory checklists, and SO team and subsidiary team membership lists, delegations and other parameters governing their operations. Once phase two of the NMS is in place, some of these documents can reside in the corporate data base and be drawn upon as needed.

B. Although most of this documentation is familiar to USAID staff, the ADS will include guidance on the preparation of these materials. For example, Chapter 201 discusses Strategic Plans, Customer Service Plans, Results Frameworks, and Management Contracts; Chapters 201 and 203 discuss the R4 (see also Paragraph 3.C., Below); Chapter 203 discusses monitoring and evaluations; series 300 will include model agreements and related guidance for both obligating and non-obligating documents; and Chapter 202 will include guidance on teams, statutory checklists, implementation letters, Congressional Notifications, analyses, and developing and monitoring activities. As necessary, USAID/W will provide additional guidance on the preparation, issuance and retention of these documents.

C. Results Review and Resources Request:

The R4 is discussed in some detail in the forthcoming operations directives at 201.5.16, E201.5.16A, E201.5.16B, E201.5.16C and 203.5.9A; note particularly E201.5.16A for a discussion of the R4 content. Individual bureaus will provide additional guidance on the R4 with a view to tailoring specific R4 submission requirements to the needs of a given bureau. Such guidance will be cleared by M and PPC.

IV. Additional Guidance on Portfolio Transition

While the recent cable entitled, "transition to reengineering operations processes" (State 221490) provides guidance on this topic, additional complementary guidance is provided on the topics listed directly below, which are keyed to topic headings in the above referenced cable. An upcoming transition cable on Results Frameworks is also central to the transition from the old system to the new system embodied in the ADS.

A. FY 1996 Obligations:

In the process of aligning current portfolios with key intermediate results and related strategic, support, or special objectives and obligating additional FY 1996 funds for such objectives, missions should, where feasible, give preference to obligating new funds by strategic objective agreements. Obviously, care must be exercised in the alignment/obligation process and regional legal advisors and contracting officers should be consulted in the process.

B. Alignment of current portfolios with strategic, support, or special objectives:

1. For accounting purposes, a specific activity under a given project or program can be aligned to only one strategic, support or special objective at a time. However, programmatically, one activity could support more than one objective and this should be reflected in program documentation. Moreover, the various activities under a given project or program can be aligned with more than one objective. Strong preference is given for the continuation of activities which align with an operating unit's objectives. Conversely, activities which do not support achievement of an objective should be treated pursuant to the guidance outlined in Paragraph 3 of the "Transition to Reengineering Operations Processes" cable.

2. Ongoing project or program authorizations and supporting PROAGS may be amended to indicate which results(s) they support under which objective(s), but only if the amended authorizations and PROAGS are consistent with their respective authorized purpose and do not exceed presently authorized funding levels, or unless specifically approved as part of a Strategic Plan, Management Contract or R4.

C. Aligning Existing Activities to Strategic Objectives Within AWACS:

Before the AWACS system can become operational, operating units will need to realign ongoing activities within the

strategic plan which forms the basis for the new management system. This will require that existing project and program data be mapped to the new system. It is necessary for the personnel most knowledgeable about the operating unit's program to direct the migration so that project/program data are assigned to the appropriate strategic objective and activity.

All data will be moved from MACS to AWACS. However, since AWACS has many more data fields than MACS, some data for existing activities will have to be entered manually. To carry out the migration, every operating unit will begin by producing a listing of every commitment, whether open or closed. Selected knowledgeable controller, project and program personnel will review the list and assign the old commitments to strategic objectives, activities and subactivities and to managing offices or strategic objective teams within the operating unit. Data entered in the conversion tool will be moved electronically to AWACS to avoid the need for redundant entry. Operating units will receive detailed instructions on how to complete this process, along with special USAID-designed data migration tools, when the new servers are delivered.

#### V. Whom to Contact for More Information

A. There will be an extensive help network established in USAID/W to assist bureaus, missions and other operating units during the transition period. For questions related to the new operations system, remember that the first point of contact is your bureau's transition coordinator. The bureau coordinators are:

AFR: David McCloud, AFR/DP  
 ANE: Frank Young & Jay Nussbaum, ANE/ORR  
 ENI: Jeff Evans, ENI/PCS  
 LAC: Bob Jordan, LAC/DPP  
 BHR: Fred Cole, BHR/PPE  
 G: Lorie Dobbins, G/PDSP

B. Subject matter specialists have been designated to work with the bureau coordinators to insure consistency and accuracy of answers. The subject matter specialists



are:

Strategic Planning: Michelle Adams-Morgan; Dirk Dijkerna

Achieving: John Bierke; Barry Burnett

Results Frameworks: John Bierke; Tony Pryor

Monitoring and  
Evaluating Performance: Sharon Benoliel; John Haecker

Customer Service Plan: Sher Plunkett; Liz Baltimore

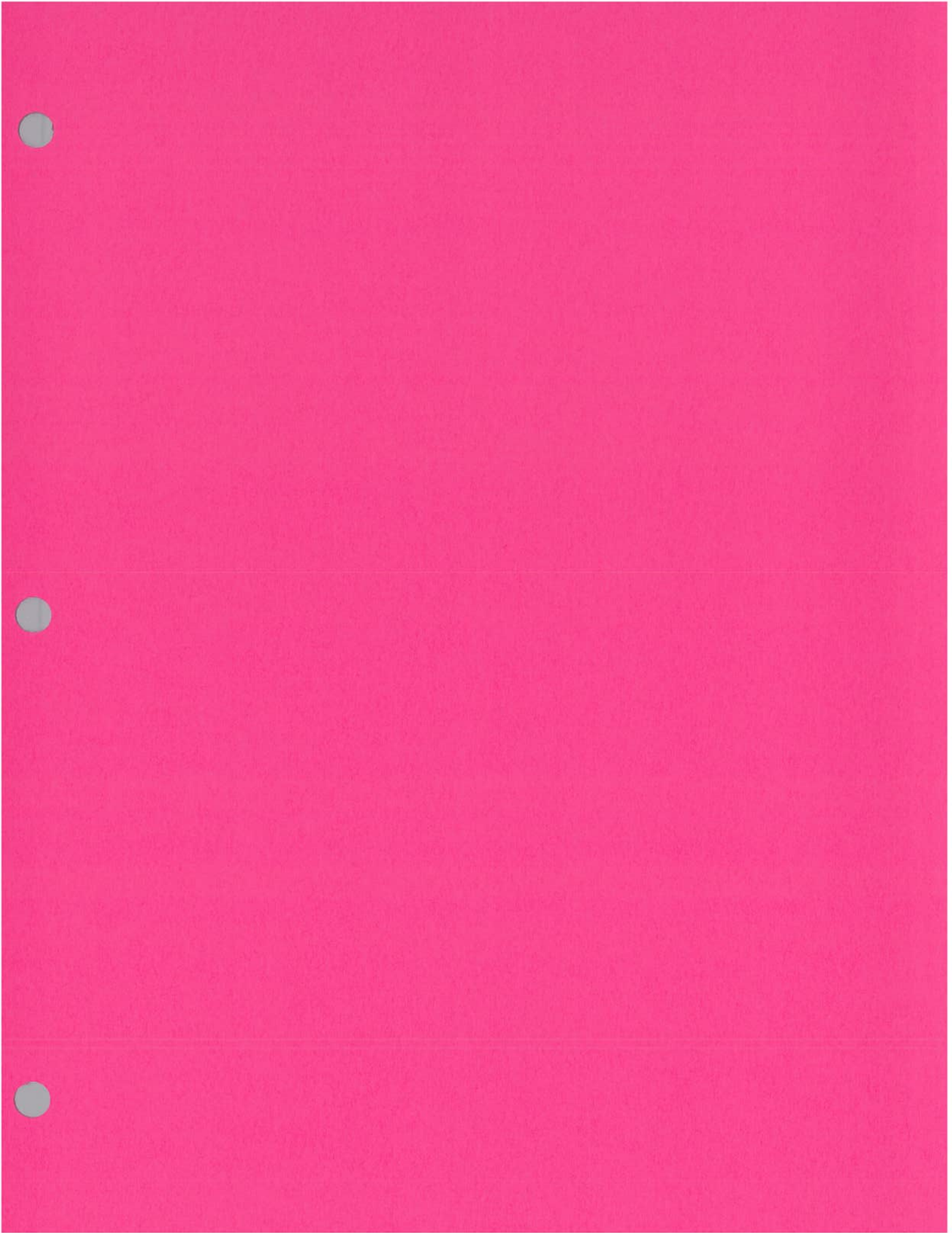
Legal Matters: Herb Morris

Operations Software: Larry Tanner; David Neverman

General Guidance on  
the Operational  
Directives: Richard Byess; David McCloud

Transitional Issues: Wayne King

Notice 1009



INFORMATION

USAID/GENERAL NOTICE  
M/ROR  
10/25/95

SUBJECT: Reengineering Transition Guidance Cable No. 7: Results Framework Development

I. Summary

A. The new Automated Directives System (ADS) became effective on October 1, 1995. This cable provides guidance to assist operating units in transitioning from the old to the new operating system (described in ADS Chapters 201 through 203). This cable does not establish new policies or change the essential procedures contained in the ADS.

B. Guidance on developing strategic plans, the results frameworks (RF) and/or converting of existing plans is provided. All of this will take time but we believe it is essential and all operating units will be measured on their success.

C. Operating units should submit to USAID/W in the spring of 1996, along with their Results Review and Resource Request (R4), a results framework for all objectives. These RF(s) will be employed to reach FY 97/98 budget decisions. All operating units must have a results framework in place for their SO(s) by the end of FY 1996. Operating units are also expected to have their customer service plans and performance monitoring plans in place by the end of FY 1996. Operating bureaus will provide additional guidance to operating units regarding timing, incorporation and utilization of results frameworks in strategic plans and R4 submissions. All new or revised SO(s) must be submitted to the cognizant Assistant Administrator (AA) for approval.

D. Software that supports presentation of information regarding the results framework will be provided in USAID/W in October 1995 and in the field by December 1995. In the spring of 1996, software incorporating planning, implementation and reporting will be rolled out.

E. There is an extensive help network available in USAID/W to assist operating bureaus, missions and other units during the transition period. The initial points of contact are your operating bureau's transition coordinator and bureau subject matter

experts (SME) listed in Paragraph VI below.

## II. The Results Framework (RF) and its Purposes

A. The RF consists of the SO, supporting intermediate results, and performance indicators for which an operating unit is willing to be held accountable. It is also the framework that individuals and teams must use to manage their work, time and money. The RF is dynamic and subject to change by an operating unit based on its experience. This flexibility facilitates refinements in the intermediate results and activities, over the life of the strategic objective.

B. The RF defines the work/roles of employees, agents, partners and customers in terms of intermediate results to achieve a strategic objective.

C. New strategic, special or strategic support objectives (SO(s)) or substantive changes to SO(s) must be reviewed fully. AA(s) with concurrence from PPC, M, GC, G and BHR, approve SO(s). Changes in intermediate results or activities do not require USAID/W approval, as long as the final results as well as resource requirements (funding, staff), internal logic and time frame are the same as described in the management contract.

D. Operating units should not confuse the RF with a Results Package (RP), another management tool. RP(s) are discussed in Chapter 202 of the ADS and in State 214430 Transition Guidance Cable No. 6 on Achieving. The RP defines how the SO team organizes intermediate results and activities. Conceivably, any SO team could organize intermediate results and activities into a variety of different RP(s). Organization of a RP is an internal SO team decision on how best to organize activities to accomplish intermediate results as well as to allocate staff, time and budget to develop, implement and achieve them.

## III. Preparation and Participation

A. Key to successful RF development is including the appropriate people and assuring their participation in the analysis and decision-making. RF development binds customers, partners and USAID staff together and forms the basis for definition of subsequent RP(s).

B. RF development can take time and must involve USAID staff and partners. We must not simply accept what is in existence. We must put all activities through this process.

C. The RF is the basis for reaching agreement with customers and explaining to Congress what is to be accomplished, at what cost, and over what time frame. While intermediate results may require change, the ability to convince budgeteers that we are succeeding may be damaged if we change too frequently.

#### IV. Analytical Process

Dependent on field conditions, operating units are encouraged to experiment with the process of developing a results framework and converting approved SO(s) into a results framework. Operating units may present intermediate results in the RF either sequentially (ordering of results by the order in which they may occur in achieving the SO), or hierarchically (ordering of results by importance or significance with respect to SO achievement) and/or a combination of both. The results tracking software, that will be released in December to the field, will assist in providing standardization and consistency for presentation purposes but is not required to implement the RF process.

#### A. In developing new SO(s) and results frameworks operating units should:

1. State the development hypotheses, showing cause and effect relationships, and describe how the accomplishment of intermediate results will lead to the achievement of the SO. When objective trees were employed, they often focused on providing one level (program outcomes) of objectives in accomplishing the SO. They will need other levels of results. Several levels of intermediate results are necessary to allow for alignment of activities and measurement of progress in achieving them. How many indicators and measures for intermediate results are sufficient? This is left to the discretion of the operating unit to work out with its technical team, both within the operating unit and in consultation with partners and other relevant USAID offices.

2. The SO team should verify their reasonableness through consultation with customers and partners as well as through a review of our best practices.

3. Responsibilities for intermediate results must include who will be responsible (USAID, host government, partners and/or others including other development agencies). When these results are added to the RF, as assumptions or intermediate results, it ensures their progress is monitored.

4. Articulate indicators and identify time frames for achievement of intermediate results.

5. Examine dualities. Intermediate results under one SO may contribute to the achievement of another SO. An example would be a result to "increase local government authority over managing schools". Represented as an intermediate result within a D/G SO and RF, if it also contributes to an education SO, it should be represented there as an assumption.

6. Estimate resources to be contributed by USAID (both locally and centrally funded), as well as resources (cash and in-kind) contributed by other partners (particularly, the host government) for all activities, intermediate results and SO(s). The life of funding for SO(s) will not be formally authorized, as was the practice with projects and programs.

B. Developing RF(s) from existing SO(s):

1. Approved SO(s) remain valid. For SO(s) that can not be achieved within 5 to 8 years, review their development hypotheses and the cause and effect relationships as amended to meet the requirements of the RF. Focus on intermediate results that lead to achievement of the SO. If issues arise about the validity or quality of the SO, the operating unit should consult with their operating bureau.

2. SO(s) and program outcomes developed under PRISM require redefinition in terms of intermediate results that lead directly to achievement of the SO and/or other intermediate results. Program activities may also need redefinition as intermediate results.

3. For approved SO(s), projects, programs or on-going activities with no RF, begin by identifying the intermediate results that the activities were designed to achieve. Operating units should not assume that long-standing programs with approved CDSS(s) and

CPSP(s) automatically have a results framework.

4. Articulate the development hypotheses and the intermediate results that have already been identified.

5. Identify other activities (undertaken by the host government and/or other donors) necessary to SO achievement, but not yet covered in your RF. Add these to your RF, initially as assumptions to be verified and possibly incorporated later into the body of the framework as intermediate results. Monitoring of these assumptions is critical for measuring progress in the achievement of the SO.

6. Many SO(s) will require restructuring and/or validation, in conjunction with partners and customers. Consider whether the results already being supported through existing contracts, grants and other actions are indeed necessary and sufficient for achieving the stated SO. For example, if the SO is increased participation in civil society, consider whether existing activities are producing the desired result -- increased participation in civil society -- and whether the existing contracts and grants are effectively reaching the groups necessary to bring about this result. Determine whether this analysis suggests the need to expand existing interventions to include new intermediate results, to develop new activities, or to phase down or eliminate activities that do not support your RF.

#### V. Tools, Presentation and Review

A. Operating units should not wait for or let themselves be constrained by the structure of the results tracking software. Operating units should explore and experiment with alternative approaches to development and presentation of the RF. Illustrative approaches are as follows:

1. A tree similar to an organization chart with the intermediate results (measures and targets) in the boxes and with narratives describing the hypotheses, assumptions and causality associated with the connecting lines.

2. Outlines that include a discussion of hypotheses, assumptions, causality, intermediate results, measures and targets; or

3. Networks, which are ideal for presenting results sequentially

and similar to a PERT chart or map of possible alternative routes/detours between points A and B (allows one-to-many relationships between intermediate results in addition to the many-to-one relationships dictated by an organization type chart or an outline).

B. The RF is submitted as part of the strategic plan (SP), SP amendment containing a new SO and to support the R4 submission. The SO is approved by the cognizant AA for the operating bureau. Normally the operating bureau's AA will only approve the SO. Within the boundaries of the management contract the RF should evolve as information and experience increases. Substantial changes to the RF should be highlighted in an SO amendment or annual R4 submission. Operating units, in consultation with cognizant operating bureaus, shall decide whether modifications to intermediate results are substantial in nature.

#### VI. Help During Transition

There is an extensive help network established in USAID/W to assist bureaus, missions and other operating units during the transition period. The first point of contact is your bureau's transition coordinator.

A. The bureau coordinators are:

AFR: David McCloud, AFR/DP  
 ANE: Frank Young & Jay Nussbaum, ANE/ORR  
 ENI: Jeff Evans & Jeff Malick, ENI/PCS  
 LAC: Bob Jordan, LAC/DPP  
 BHR: Fred Cole, BHR/PPE  
 G: Lorie Dobbins, G/PDSP

B. Agency subject matter experts (SME) have been designated to work with the bureau coordinators and bureau SME(s) (to be identified) to insure consistency and accuracy of answers. The Agency subject matter specialists are:

Customer Service Plan: Sher Plunkett & Liz Baltimore  
 Strategic Planning: Dirk Dijkerman &  
 Michelle Adams-Matson  
 Results Frameworks: John Bierke & Tony Pryor  
 Achieving: John Bierke & Barry Burnett



Monitoring and Evaluating Performance:

Sharon Benoliel & John Haecker

Legal Matters: Herb Morris

Operations Software: Larry Tanner & David Neverman

General Guidance on the Operational Directives:

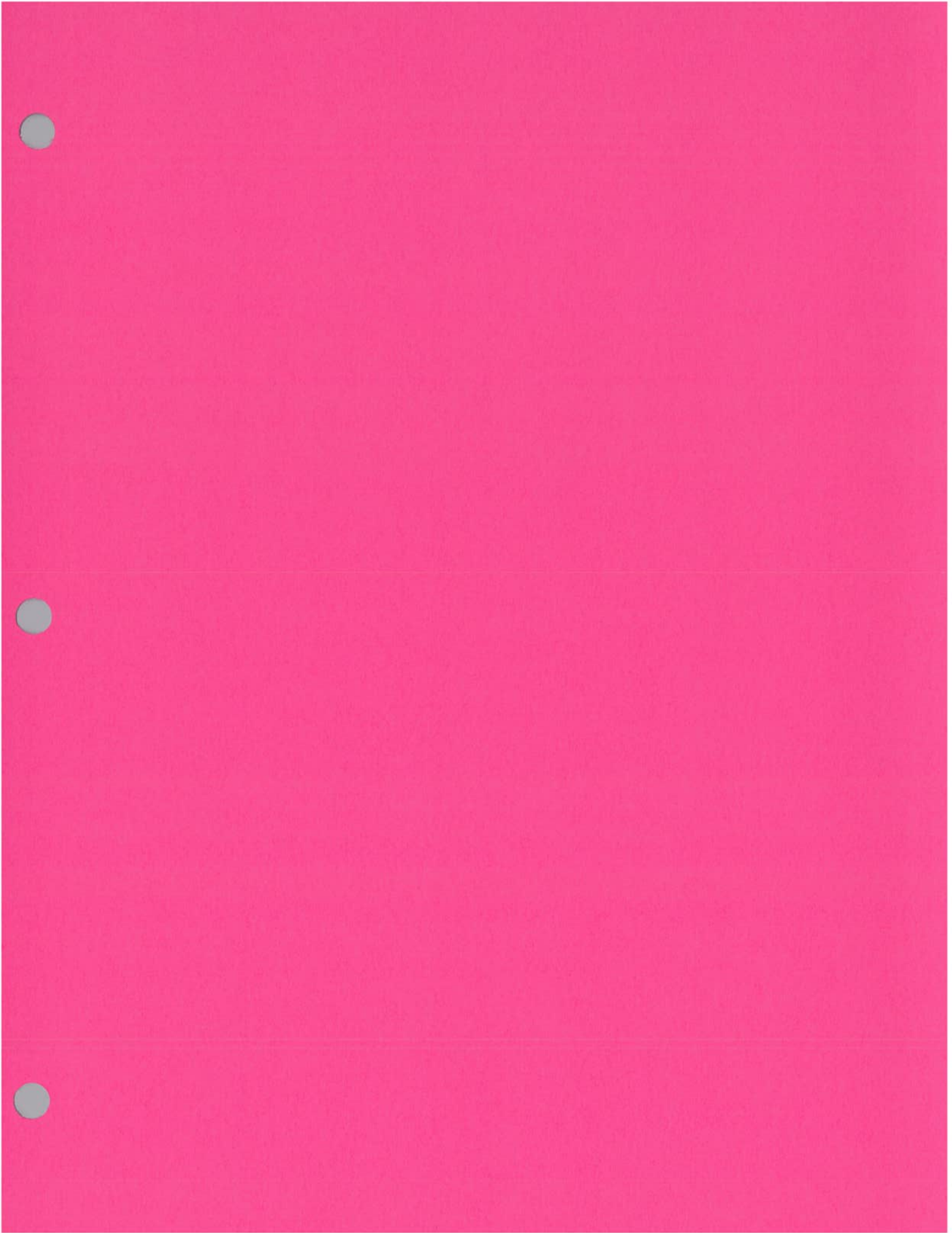
Richard Byess & David McCloud

Transitional Issues: Wayne King

Notice 1031

The first of these is the fact that the  
 Government has been unable to secure  
 the necessary funds to carry out its  
 policy of expansion. This is due to  
 the fact that the Government has been  
 unable to raise the necessary funds  
 through the sale of bonds and the  
 issue of new currency. This has led  
 to a severe shortage of funds and  
 has forced the Government to resort  
 to the printing of money. This has  
 led to a severe inflationary spiral  
 and has caused the Government to  
 lose the confidence of the public.





INFORMATION

USAID/GENERAL NOTICE  
M/AS  
10/25/95

SUBJECT: Reengineering Transition Guidance Cable No. 8:  
Automated Directives System (ADS)

I. Summary

On October 1, 1995, the Agency's new Automated Directives System (ADS) went into effect. The directives provide comprehensive guidance to Agency employees in Washington and the field on all aspects of USAID program identification, implementation and evaluation. The directives embody the four Agency core values of customer service, managing for results, teamwork, and empowerment/accountability. All of the ADS materials is designed to be available on computer and updated regularly. Because the supplementary references are separate from the directives, they can be updated or replaced from time to time as new examples of best practices and state-of-the-art technical materials emerge.

II. Background

The ADS was introduced in a General Notice to the Agency on May 2, 1994. It is a two-tier system that separates policy from essential procedures. It provides clear, concise statements of the mandated core policies of the Agency and is a very effective tool in helping to reduce the Agency's internal regulations by fifty percent (50%) as directed by the National Performance Review and mandated by Executive Order 128061. Used correctly, it will streamline the true internal policies for Agency operation.

The core values and best practices have generated a more flexible operations system to make our development work easier. There are now opportunities not possible or at best difficult to access under old systems. USAID and our partners can begin to make better use of our high levels of skill, energy and initiative to achieve even greater accomplishments. That, after all, is the purpose of the new operations system.

III. Rationale for the Directives

The directives were written with five goals in mind:

- To make a clear distinction between mandatory policy and procedures and that guidance which is not absolutely essential to carrying out development assistance.
- To incorporate reengineering precepts, including the Agency's four core values, into the new guidance.
- To preserve and disseminate the Agency's existing "best practices".
- To reduce regulations as mandated by the National Performance Review; and
- To update Agency guidance and consolidate discrete guidance generated over the years by the regional and central bureaus.

You have already received copies of the operations directives (Chapters 201, 202, and 203) within the 200 series via E-mail. Other ADS chapters will be provided as they are approved.

#### IV. Structure

A. The ADS is a two-tiered system containing policy and essential procedures, organized into five major functional series:

- Series 100 - Organization and Executive Management (formerly Handbooks five and seventeen)
- Series 200 - USAID Program Assistance (formerly Handbooks one through four and seven through ten)
- Series 300 - Acquisition and Assistance (formerly Handbooks one B and eleven through fifteen)
- Series 400 - Personnel (formerly Handbooks twenty-four through thirty-three)
- Series 500 - Management Services (formerly Handbooks six and eighteen through twenty-three)

B. Each series contains a number of Chapters organized in the

following standardized format:

- 1. Authority
- 2. Objective
- 3. Responsibility
- 4. Definitions
- 5. Policy/Essential Procedures
- 6. Supplemental References

C. The DR-CD identifies which Handbooks remain in effect and which ones have been superseded by the newly-reengineered directives.

V. What's New

A. The targeted release of the new ADS is fall 1995 to coincide with other Agency reengineering efforts. The new ADS will be included on the next release of the DR-CD. In addition to the hyperlinking capabilities, the new ADS includes WINDOW-based tools allowing for proximity searches, string searches, highlighting of search terms and other improvements. The DR-CD is accessible to USAID Washington and overseas missions and is also available to the public on a subscription basis.

B. As described in earlier cables in this series, the software in the new operations system will revolutionize each operating unit's ability to collect and organize information. It includes a module called the Document Generator, which can locate and pull together information entered into the system and reorganize that information into the format of any document selected from the menu, like a strategic plan or a Results Review and Resource Request (R4). Immediate on-line access to indexed ADS text will make it possible to create accurate and timely reports and improve communications with partners and customers.

C. The ADS will make it possible to disseminate new policy guidance more quickly and uniformly, following a streamlined clearance process. Offices with delegated authority to create policy are the responsible authoring office for that policy; however, other offices with interdependent policies cross-reference those policies, thus only stating policy once in the authorized directive.

D. The new clearance policy--General Notice dated December 7, 1994--reduces the complexity of and expedites the clearance process by only requiring clearance from GC, IG (if it pertains to waste, fraud and abuse), M/AS/ISS, and offices directly affected by the proposed change. It allows 10 working days for clearance or comments, after which the authoring office will continue with processing the directive.

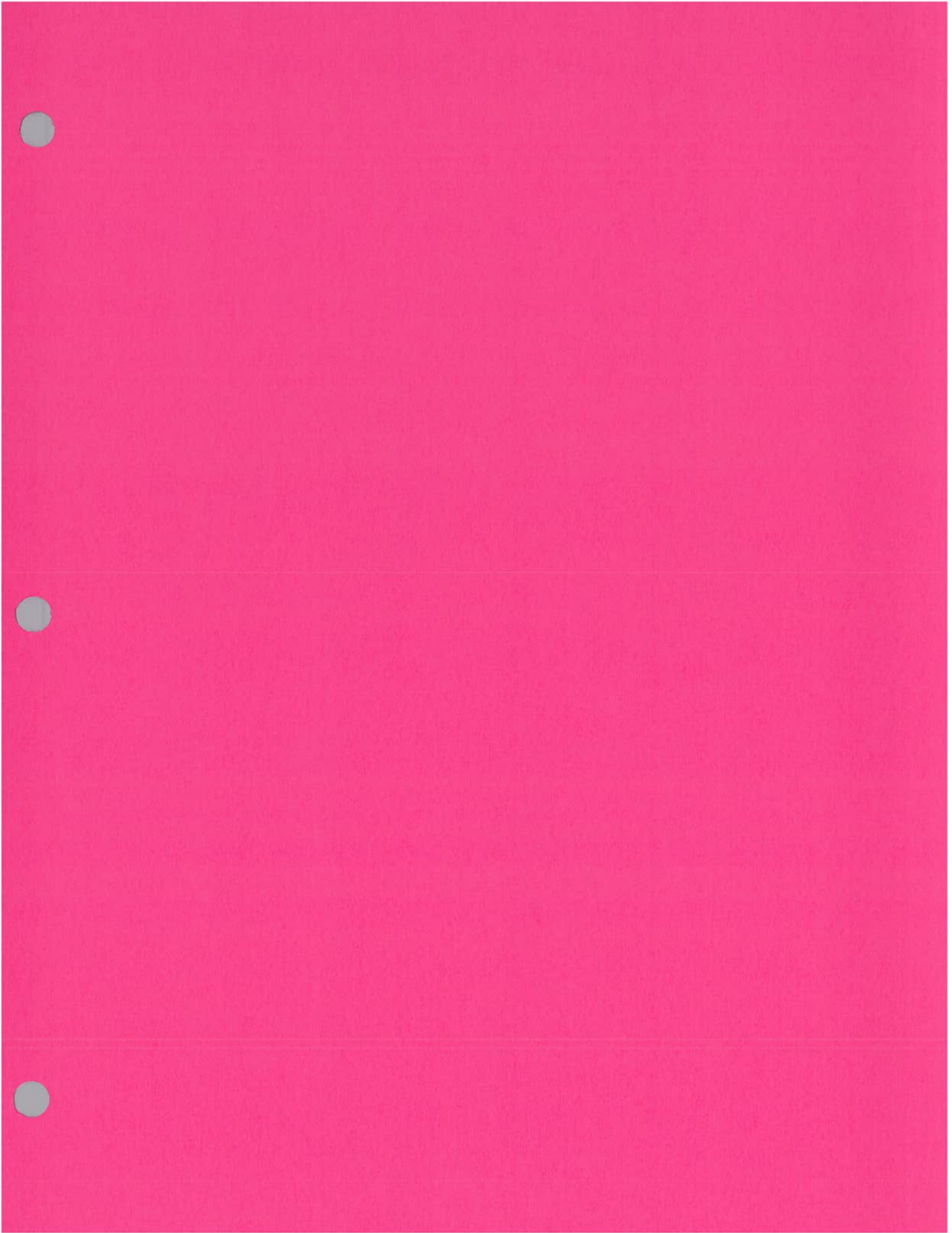
#### VI. Next steps

Key directives not yet completed, to be included in subsequent issuances of the DR-CD, include (1) personnel regulations recently issued by OPM, which will require extensive rewrites in the directives format by M/HR; (2) a new Executive Order on the audit function, which will cause major rewrites of IG Chapters; and (3) M/FM's rewriting of the financial management series. M/FM will complete AWACS before rewriting their section of the directives.

#### VII. Further Information

For more information, please contact Genease Pettigrew, M/AS/ISS.

Notice 1032





INFORMATION

USAID\GENERAL NOTICE

M/ROR

10/25/95

SUBJECT: Reengineering Transition Guidance Cable No. 9:  
Teamwork and USAID's Reengineered Operations System

1. This Notice is the ninth in the series of transition guidance messages for the new USAID, prepared jointly by the Office of Results-Oriented Reengineering (M/ROR), the Office of Management Planning and Innovation (M/MPI) and the Office of Human Resources (M/HR). Its purpose is to assist operating units in planning and implementing human resource changes in the reengineered operations system, to respond to specific questions raised by Agency personnel and to provide information that may not be contained in other documents. State 191629 provided additional information and Q&As on teamwork.

2. Beginning October 1, 1995, the reengineered operations system requires that much of USAID's work be achieved by operating unit personnel, customers, stakeholders and partners working together in teams. Operating units shall establish a strategic objective (SO) team for each strategic objective, strategic support objective and special objective defined in the approved strategic plan. Strategic objective teams may establish results package subgroups as deemed appropriate. The responsibilities and authorities for the strategic objective core and expanded teams are defined in the Automated Directives System series 200 (Chapters 201, 202 and 203).

3. The size and scope of the strategic objective teams should be flexible and based on the varying requirements for achieving results. Operating unit managers should provide a clear focus for the team to operate, and state objectives, results and measures for judging progress. It is equally important that the strategic objective team decide which participatory processes it will use to engage customers, stakeholders and development partners in the deliberations of its strategic, strategic support, or special objectives. The team should ensure that it has a plan to obtain sufficient information to make informed decisions for managing objectives and results.

4. It is the Agency's policy to require and encourage participation by and consultation with those involved in

development, both our partners and our customers. Each operating unit and strategic objective team should refer to the General Notice on guidance on consultation and avoidance of unfair competitive advantage issued on August 17, 1995, to avoid possible conflicts when including partners on teams.

5. Operating units and team leaders should look for members who have complementary skills, responsibilities or interests that contribute to achieving results relative to the SO. Team members may serve on a part-time or full-time basis and may be assigned to the unit or assigned to other organizational units within the Agency. Individuals may also serve on multiple teams. The commitment of an individual's time to a team must be negotiated with the individual's parent organization or supervisor. Team members need not be physically resident within the operating unit responsible for the strategic objective, but could participate electronically as "virtual" participants from a distance.

6. The type of work and the nature of the desired result must be examined when considering whether a temporary or permanent team approach is warranted. Although the current Agency organization emphasizes teamwork, a team structure may not be the most effective means of achieving some work objectives. The nature of the objectives and work should determine the organizational design.

7. Teams need not be considered a permanent organizational element of the Agency. They are designed and intended to be flexible instruments, easily formed and dissolved depending on the requirements of significant work products. Managers should draw on the experiences of the Country Experimental Labs (CELs) and other organizational units that have organized around teams, consider the variables of their own organization, the effect on personnel and decide what structure best meets the needs of their operating units in managing for results.

8. Policy and procedural guidance relating to the justification and approval of organizational and associated position actions is contained in ADS Chapter 102. USAID/Washington approval is required only if missions plan to establish a permanent team structure.

9. The operating unit shall establish the authorities and parameters governing strategic objective team operations. When a team is empowered to make decisions, it must receive authority

and be accountable for its decisions and results. Operating managers should provide specific information to the team as follows:

- A. The specific strategic, strategic support, or special objective to be achieved, which shall be consistent with the approved strategic plan and the operating unit's customer service plan.
- B. Performance measures and reporting requirements.
- C. The responsibilities and authorities delegated to core team members.
- D. The budget for achieving the strategic objective.
- E. Other requirements or special conditions pursuant to the management contract or that the operating unit deems necessary.

10. A team should be accountable for results within its manageable interest. Teams are accountable individually and collectively within the context of annual evaluation work objectives based on expected results. Work objectives should state the scope of a team member's expected contributions and performance measures. Team members are expected to hold themselves accountable and to ensure that the team has the capacity, experience, judgment and technical knowledge required to achieve results. Team leaders are responsible for coaching, coordinating and assigning the work of the team. Team members, team leaders and supervisors should work collaboratively and supportively to assure accountability is tied specifically to delegated authorities, to the requirements of the team's objectives and is described on the team member's annual evaluation form.

11. The new 360-degree personnel evaluation process supports the team concept in the reengineered USAID. It is expected that this process will provide a means to factor team member's contributions into his or her overall rating. The team should contribute to the determination of each team member's objectives, may approve them, and will be part of the rating process for the team member.

12. Incentives are essential to recognize team results and individual contributions:

A. Teams, as well as individuals, will be rewarded on the basis of their performance with regard to managing for results. When discussing performance, it is important to distinguish between program success or failure on the one hand and employee or team success on the other. Employees and teams are expected to closely monitor program performance and to take necessary corrective action to insure that strategic objectives are being achieved -- to manage for results. Failure of a particular program intervention is not to be considered a team or individual failure unless action is not taken in a timely way to make mid-course corrections. In the new reengineered USAID, it is important that employees be encouraged to do a certain amount of risk-taking. The new human resources management systems will support sounder performance judgments by line managers and teams on managing for results.

B. The new HR incentive systems are being designed to create monetary and non-monetary awards that recognize the achievement of teams. The rewards should be based on demonstrated performance as determined during the R4 process. Operating managers are encouraged to initiate unit level awards to do the same thing. Rewards accruing to teams should be shared within teams. Non-US government team members would be eligible for non-monetary awards.

13. The reengineered Human Resources automated system, once implemented, will support team formation with an electronic skills data base. Managers forming strategic objective, strategic support objective or special objective teams will be able to locate potential team members with the specific skills and interests needed for a specific objective.

14. Other guidance will be issued as we receive questions and when more information becomes available. Please feel free to contact the following individuals regarding this cable:

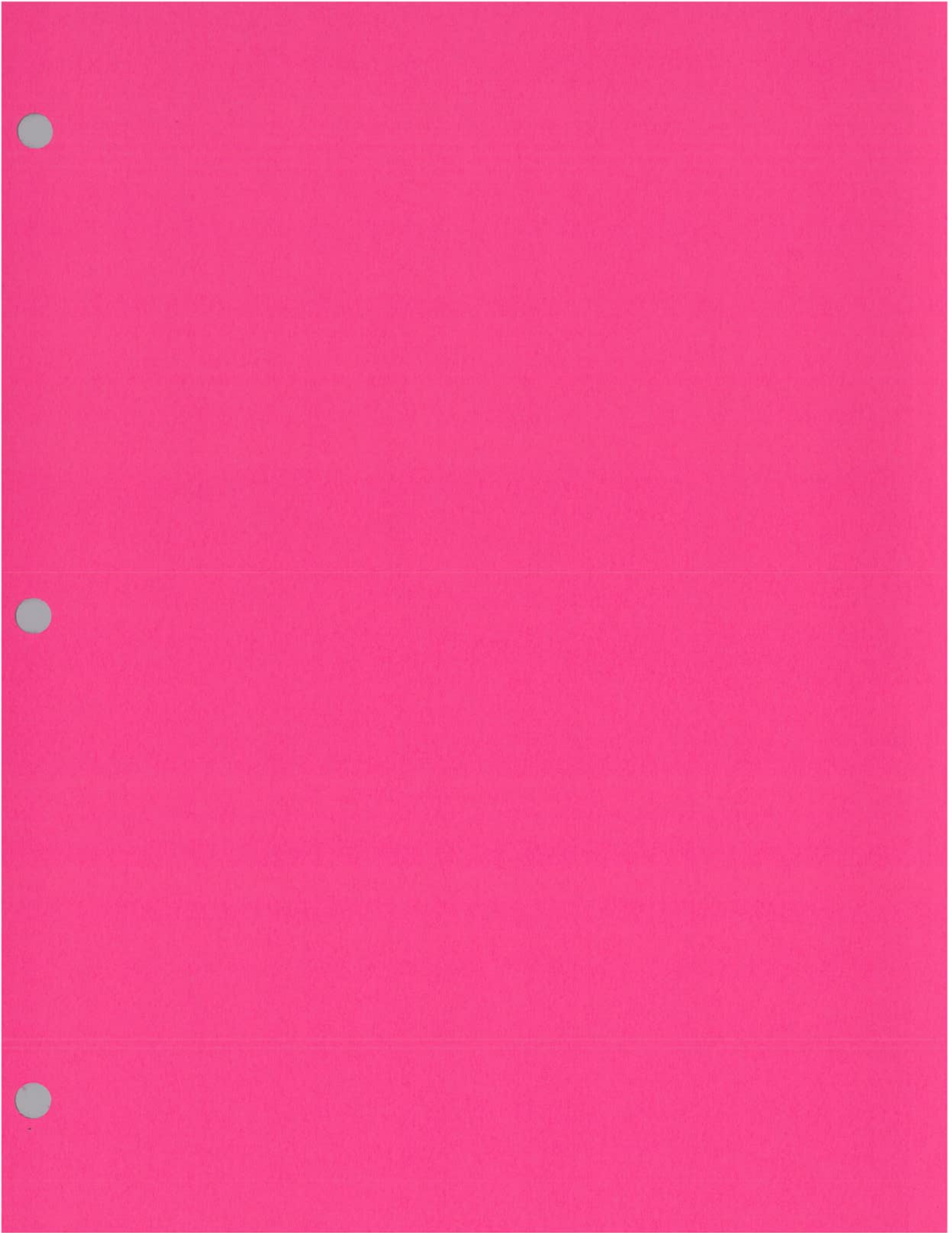
M/ROR: Liz Baltimore or Richard Byess

M/HR/BAA: Doug Brandi

M/MPI: Susan Walls

Notice 1033





INFORMATION

USAID/General Notice  
PPC/CDIE  
11/01/95

SUBJECT: Reengineering Transition Guidance Cable No. 10:  
Reengineered USAID Performance Monitoring and  
Evaluation Systems

I. Overview

This message provides guidance on the reengineered USAID performance monitoring and evaluation (PM&E) systems which became effective October 1. For more detail, please refer to Chapter 203 of the Automated Directives System (ADS). PM&E is one of the three key functions of USAID's new operations systems. It is an essential aspect of our ability to achieve development results more effectively and efficiently. Monitoring and evaluating our performance is a key management approach which we will be using to gauge our progress, guide our programming and resource allocation decisions, and report on results to our stakeholders. The new PM&E policy and procedures reflect the Agency's four core values: managing for results; empowerment and accountability; teamwork and participation; and customer focus. They build upon past experience and "best practices" in PM&E. What is different now is that some of these "best practices" in PM&E are being made "standard practices" that all operating units and the Agency as a whole are required to follow. The new guidance requires that:

- all operating units managing program funds monitor and report once a year on performance through the Results Review and Resource Request (R4);
- evaluations be carried out only when needed to meet specific management information needs and not be conducted automatically at some arbitrary point in the program cycle;
- a participatory approach involving customers, partners and stakeholders be used in all phases of program performance monitoring and evaluation. In particular, a customer focus should be reflected in the framing of objectives, choice of performance indicators and measurement of performance.

The remainder of this message summarizes key aspects of the new PM&E policies and procedures.

II. Why Monitor and Evaluate Performance?

As a learning organization, USAID requires the collection and analysis of performance information to improve:

- the planning and implementation of development assistance



- the effectiveness of management decisions
- learning from experience
- joint planning and programming
- accountability and our ability to respond to reporting requirements

Furthermore, the Government Performance and Results Act of 1993 requires that all federal agencies establish performance monitoring systems that measure progress towards the program goals and objectives identified in strategic plans, conduct program evaluations, and report on results in an annual performance report.

### III. USAID's PM&E Policy

To effectively manage for results, the Agency must regularly collect, review, and use information on its performance. At Agency and operating unit levels, this information will play a critical role in planning and management decisions. For example, performance information will be used to:

- improve the effectiveness and performance of development activities
- guide decisions on resource allocations
- revise and plan new strategies
- decide whether to abandon programs, strategies or objectives that are not working
- determine when consideration should be given to graduating or exiting programs
- document impacts of assistance and share and use lessons learned
- develop shared visions, common understanding of successful approaches and plan more effectively for the future with our development partners

Sources of performance information include (1) performance monitoring systems, (2) evaluations, and (3) other studies or reports such as research, customer surveys, experience of other development organizations and informal sources such as unstructured feedback from partners and customers.

#### IV. Distinctions Between Performance Monitoring and Evaluation

Performance monitoring and evaluation are distinct yet complementary functions. USAID has used evaluations as management tools for decades. Program performance monitoring is much newer within USAID. With reengineering, all operating units managing program funds are required to monitor and report annually on performance. Evaluations support and complement the monitoring system. Performance monitoring is the on-going process of collecting and analyzing data to measure performance. Performance monitoring focuses on the achievement of expected results. It involves the analysis of how changes in specific performance indicators compare with those expected and specified in performance targets. Performance monitoring alerts managers to problems or successes, e.g. when targets are either not being reached or exceeded. For example, performance monitoring could alert a program manager to the fact that a particular strategic objective directed at increasing men's and women's incomes was only increasing women's incomes. It would not tell the manager why this was happening or what to do to increase men's incomes. That is where an evaluation would be needed. Evaluation is a structured analytical effort undertaken, when needed, to answer specific management questions about the performance of programs or activities. Evaluations may be initiated when performance monitoring data indicate unexpected results (i.e. when programs fail to meet their targets; exceed expectations or benefit different segments of the target population unequally).

Evaluations can provide information on why or how results were achieved or not, and draw lessons and recommendations for management actions. Evaluations can also be used to test the basic development concepts underlying our strategies (i.e. is change occurring as we expected, are our interventions efficient, etc.). They can be used to explore unintended results and issues of program relevance, effectiveness, efficiency, impact, and/or sustainability.

#### V. Performance Monitoring Systems

All operating units that manage program funds are required to establish and/or maintain performance monitoring systems. These systems are the processes or approaches used by operating units to collect and analyze data on performance. Such systems include performance indicators, performance baselines, and performance targets for all strategic objectives, strategic support objectives, special objectives and USAID-funded intermediate results included in the unit's approved strategic plan and results framework; means for tracking critical assumptions; and performance monitoring plans to manage data collection. Missions with already approved strategic plans and agreed-upon performance reporting systems need to:

- review existing plans and practices to make sure that these conform with the new policies and procedures and any supplementary guidance or requirements established by their regional bureau; and
- continue annually to collect and analyze performance data on the approved objectives and intermediate results in their strategic plan.

Routine collection of results data: Performance monitoring systems are based on the regular and routine collection and analysis of data on results. These systems should provide information on outcomes or results at all levels that enables managers to track progress towards achieving strategic objectives, intermediate results, and activity outputs. Operating units are required to collect performance data annually. This should include the collection of comparable data on the results each year for at least one of the performance indicators for each strategic objective, strategic support objective, special objective and active usaid-funded intermediate result.

#### VI. Evaluation

Not a requirement but a management tool: Evaluations are no longer required and should only be conducted to meet specific management or other informational needs. The decision if and when to evaluate is made by the operating unit ... specifically by strategic objective (so) teams, in consultation with the senior management of their operating units and with partners and customers. The requirement that evaluations only be conducted when needed may lead some operating units to cancel previously-planned evaluations of programs or activities. When such evaluations are part of formal program agreements or contracts, operating units should check with their respective bureaus on any bureau requirements or procedures for handling such changes. Evaluations may be needed to provide information when:

- Performance monitoring data indicates unexpected results (positive or negative);
- A key management decision must be made and there is inadequate information;
- Performance reviews identify key unanswered questions;
- Customer surveys or other customer or partner feedback suggest implementation problems or unmet needs;
- There are issues about sustainability, unintended impacts, or broader lessons learned of interest to the Agency.

Follow-up: Reviewing evaluation findings and recommendations and taking appropriate actions are the responsibilities of the operating unit. Individual evaluation reports are not formally reviewed by USAID/W bureaus, although they may serve as input into the annual R4 review. Evaluation reports in electronic form should be submitted to PPC/CDIE for inclusion in the Agency's Development Information System to enable sharing of evaluation experiences throughout the Agency and contribute to organizational learning. Operating units should follow their bureau's instructions on further distribution of evaluations or evaluation summaries. Evaluation findings should be openly shared and discussed with partners, customers, stakeholders and other donors.

#### VII. Budgeting for PM&E

When budgeting funds for performance monitoring and evaluation functions, operating units and SO teams should consider allocating between 3% to 10% of the overall budget. Program circumstances will, of course, dictate whether this budget range is appropriate for a specific SO.

#### VIII. Participation in PM&E

With reengineering, a participatory approach involving customers, partners, and stakeholders (as appropriate) is recommended in all phases of performance monitoring and evaluation:

- In planning PM&E approaches
- In conducting data collection
- In analyzing, reporting, and reviewing findings

There are a variety of data collection and analysis approaches which missions can use to strengthen participation and feedback from partners, customers and stakeholders. These include client satisfaction surveys and rapid appraisal techniques such as key informant interviews, focus groups, community interviews, site observation, mini-surveys, and mapping. Active participation of partners, customers and stakeholders in a performance monitoring and evaluation effort builds "ownership"; encourages joint actions based on mutual understanding of performance issues and successes; and can contribute to strengthened future planning and action. Participatory approaches may take more time and effort. The ultimate customers' needs, priorities, and expectations for development assistance should be a key foundation for the development results we seek to achieve, and should be reflected in our choice of objectives and intermediate results, and how we monitor these results. In setting objectives and designing performance monitoring and evaluation activities, it is important to take into account gender and other customer characteristics to

ensure that all customers are represented (see also Transition Guidance Cable 5; Customer Service Planning).

Operating units are encouraged to help strengthen performance monitoring and evaluation capacity within recipient developing countries, and to participate in networks for the sharing and exchange of development experience information with partners, practitioners, researchers, and other donors.

#### IX. Results Review and Resource Request

All operating units that manage program resources are required to prepare and submit to USAID/W annually the Results Review and Resource Request (R4). The R4 contains two components -- (1) results review and (2) resource request. The R4:

- assesses progress towards objectives established in the strategic plan (i.e. compares actual results with planned results)
- analyzes and explains performance (e.g. why performance targets are or are not being met)
- draws on performance information from monitoring, evaluations, and other sources
- makes performance a factor in program and budget proposals and decision-making
- updates estimates of resource requirements for achieving objectives and targets
- provides a mechanism for usaid/w reviews of progress and draws attention to key performance issues
- provides information for external inquiries and results reporting
- confirms or suggests needs to amend the strategic plan and management contact

The R4 draws upon the operating unit's internal review of progress; annual collection and analysis of performance data; and other assessments of program and activity performance as well as special studies, analyses and evaluation. The R4 provides a focus for Agency-wide operating unit performance. This year, during the transition period, some bureaus will ask missions to submit the R4 in two separate segments with the first part of the R4, the results review, being submitted before the second part, the resource request. Bureaus with this requirement will advise missions. The Transition Steering Committee is reviewing the need for other routine reporting such as the close-out reports

for activities, results packages, and strategic objectives cited in Section 202.5.2A(3)E of the ADS chapter on achieving.

XI. Supplementary References

The PM&E policies and essential procedures are intentionally kept short and focused on directives that the Agency and its operating units must follow. Operating units may choose how they implement these policies and procedures. PPC/CDIE is now preparing supplemental references to help operating units plan, implement and use their performance monitoring and evaluation systems. See Chapter 203.6 For a list of planned topics. These supplemental references will provide practical, step-by-step "how to" advice, based on USAID's and other agencies' best practices in PM&E and the general literature. CDIE is very interested in getting your views and feedback on what you would like to see included in the supplemental references.

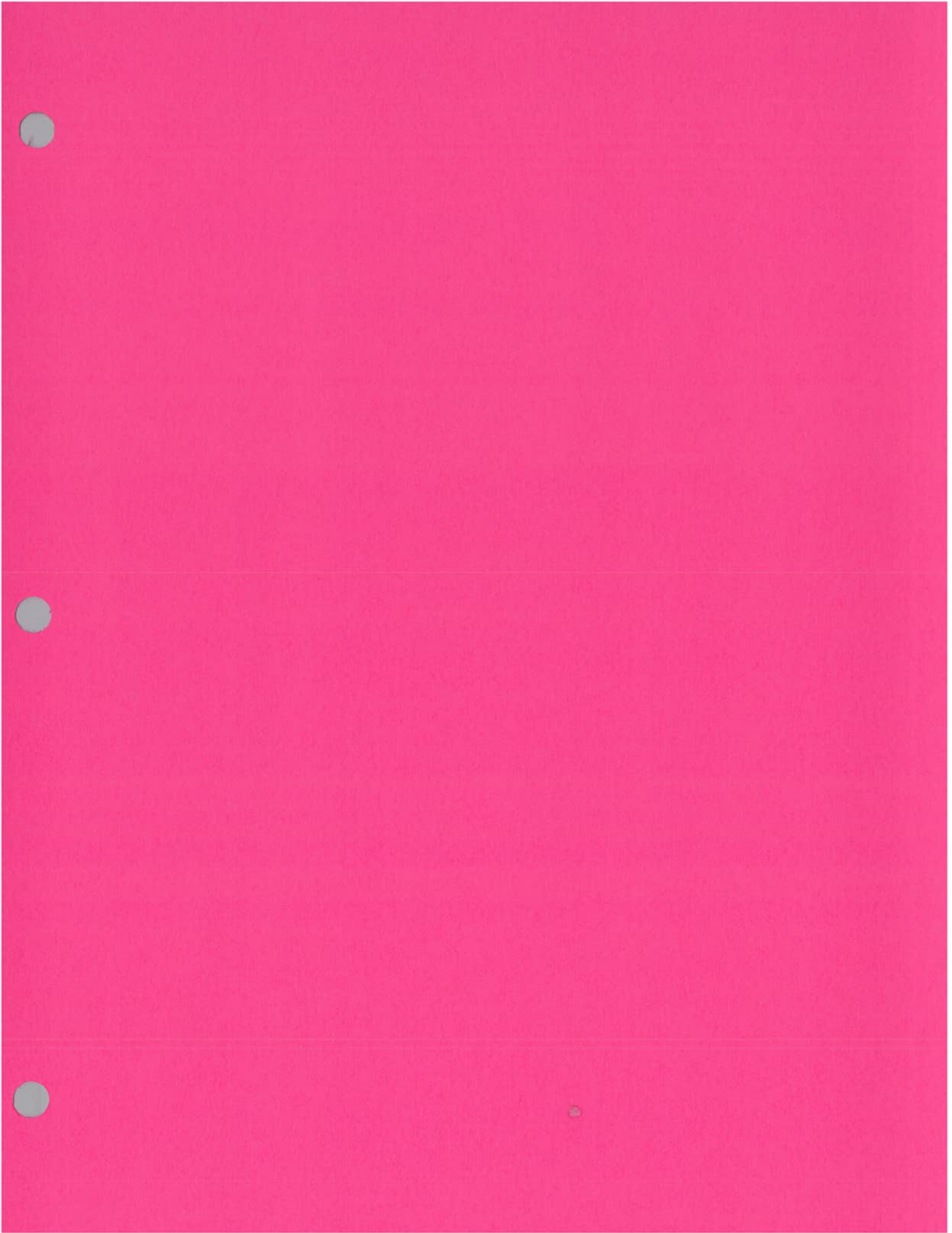
POINT OF CONTACT: Please respond with your ideas and suggestions to PPC/CDIE, Attention: Annette Binnendijk or Harriett Destler, the subject matter experts (SMEs) for performance monitoring and evaluation.

Notice 1102

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The following information was obtained from the records of the  
Department of Health, Education and Welfare, Office of the  
Assistant Secretary for Health Policy, Research and Statistics,  
Washington, D.C.

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Washington, D.C.





**USAID**



**U.S. AGENCY FOR INTERNATIONAL  
DEVELOPMENT**

**QUALITY COUNCIL  
COMMUNICATIONS STEERING GROUP**

**USAID  
REENGINEERING & REFORM  
REFERENCE GUIDE  
NOVEMBER 1, 1995**



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# USAID REENGINEERING & REFORM REFERENCE GUIDE

## PUBLICATIONS

For corrections or for suggested additions to this reference list, contact Betty Snead, LPA, 202/647-3794

\*--available electronically on the Reinventing USAID Bulletin Board

### ADMINISTRATOR'S MESSAGES:

\*\*"USAID Senior Management Retreat" -- USAID General Notice, Jan. 4, 1995.

\*\*"A Message from the Administrator on Reinventing USAID" -- USAID General Notice, April 4, 1995.

\*\*"Administrator's Message on the New Employee Evaluation Program" -- USAID General Notice, May 23, 1995.

\*\*"Message from the Administrator on Reengineering" -- USAID/W Notice, June 22, 1995.

\*\*"The Proposed USAID Merger" -- USAID General Notice, Aug. 7, 1995

\*\*"Human Resources BAA" -- USAID General Notice, Sept. 6, 1995.

**\*"A Message from the Administrator on Reengineering (New Management Systems)" -- USAID/W Notice, Oct. 5, 1995.**

**GENERAL REENGINEERING:**

**\*"On Track" -- a monthly newsletter devoted exclusively to cutting-edge agency reengineering developments.**

Contact: Karen Thornton, M/ROR Phone: 202/663-2458

**"IRM at Work on the Information Highway" -- a monthly newsletter, usually eight pages, from the Office of Information Resources Management, M/IRM, that includes IRM-related reengineering information.**

Contact: M/IRM Phone: 703/875-1316

**\*"Reengineering Highlights" -- a three-page paper answering such questions as: What are we reengineering? When will this happen? Why are we reengineering? How will the reengineered system work?**

Contact: Betty Snead, LPA Phone: 202/647-3794

**"Creating a Government that Works Better & Costs Less" -- National Performance Review (NPR) accompanying report on USAID, 55 pages. The September 1993 report contains seven specific USAID recommendations and 38 actions related to them.**

Contact: Bill Bacchus, DAA/M/QC Phone: 202/736-4315

**"Summary Report of the Overseas Reinvention Impact Review" -- The purpose of the review, requested by the USAID administrator and the AA/M, was to assess the impact of planned agency reengineering and reform on the effectiveness and efficiency of current mission operations, on organizational structure and on human resources. Teams visited Latin America and the Caribbean, Asia, Near East and Africa. This summary report, dated March 9, 1995, contains 42 pages plus attachments.**

Contact: Susan Walls, M/MPI Phone: 202/647-0943

**"Illustrative Indicators for Measuring the Four Core Values" -- five pages, January 1995.**

Contact: Turra Bethune, CDIE Phone: 703/875-4829

**\*"Approval to Conduct Surveys" -- USAID General Notice, March 14, 1995.**

**\*"Reengineering Really Works" -- by Mary Reynolds, On Track, June**

1995.

"Common Sense Government -- Works Better and Costs Less" -- Vice President Gore's Third Report of the National Performance Review, Sept. 7, 1995.

Contact: Bill Bacchus, DAA/M/QC Phone: 202/736-4315

\*"A Message from the AA/Management on Reengineering" -- USAID/W Notice, Sept. 13, 1995.

"A Message from AA/Management" -- USAID/W Notice, Oct. 16, 1995. First edition of Reform Glossary attached.

"Toward the New USAID: An NPR Progress Report" -- 26 pages. Gives results/actions taken by USAID to address NPR recommendations; also government-wide NPR actions are included.

Contact: Bill Bacchus, DAA/M/QC Phone: 202/736-4315

"New Management Systems (NMS) Update" -- *IRM at Work*, September 1995.

\*"Projects, Strategic Objectives, Activities..." by David McCloud, M/ROR. *On Track*, September 1995.

\*"Africa Bureau Hosts Partners for Reengineering Workshop." *On Track*, September 1995.

\*"Stakeholder Analysis: A Vital Tool for Strategic Managers" by Benjamin L. Crosby, March 1992, five pages.

### ACCOUNTABILITY:

\*"Guidance on Consultation and Avoidance of Unfair Competitive Advantage" -- USAID General Notice, Aug. 17, 1995.

### ACCOUNTING:

"AWACS: What is it and what will it do?" -- summary of USAID's new worldwide accounting and control system, *IRM at Work*, June 1995.

"How will USAID do business with AWACS?" -- three-page summary.

Contact: Doug Arnold, M/FM

Phone: 202/663-2170

**BUDGET:**

"Business Area Analysis: Budget and Fund Allocation, Report to Management," Vol. I, August 1994. A report on the agency's reinvention of its budget process. Describes problems with present budget systems, contains recommendations for reengineering budget and fund allocation processes and outlines the major benefits of automating processes. Specifies follow-on projects to build an integrated budget system. Five sections, with appendices and figures.

"Business Area Analysis: Budget and Fund Allocation, Technical Appendices," Vol. II, July 1994.

Contact: Ken Milow, M/B

Phone: 202/647-6671

**COMPUTERS:**

"The Leland Initiative: Empowering Africans in the Information Age" -- article on improving the electronic networkability in Africa, *IRM at Work*, August 1995.

"A Plea from the Field" -- by Chuck Patalive. Discusses IRM standard software and personal computer use, *IRM at Work*, August 1995.

"Disk Duplication Services" -- by Ed Stuart, *IRM at Work*, August 1995.

"IRM's Interoperability Lab" -- by Herb Thompson, on testing the agency's New Management Systems (NMS), *IRM at Work*, August 1995.

"Technologies for Developing Countries" -- by Jim Russo, on telecommunications in developing countries, *IRM at Work*, August 1995.

\*"IRM Customer Support Center" -- USAID/W Notice, June 12, 1995.

"Windows 95 at USAID" -- *IRM at Work*, September 1995

"Computer Security at USAID" -- *IRM at Work*, September 1995.

"IRM Shops Join Forces" -- *IRM at Work*, September 1995. Examines



shared services of USAID, State, USIA, and ACDA.

"VSAT" -- continued: -- *IRM at Work*, September 1995. Installation of the VSAT equipment, including satellite dishes at 44 missions, is in full swing. See July issue of *IRM at Work* for the introductory article on VSAT.

"The IRM Two-Step Shuffle" -- personnel changes in IRM. *IRM at Work*, September 1995.

"Help is just a call away" -- *IRM at Work*, September 1995. The Consulting and Information Services Division of IRM is designing and will be implementing a centralized IRM Help Desk.

### COUNTRY EXPERIMENTAL LABS (CELS):

\*"Synthesis of Country Experimental Lab Reporting from October 1994 to March 1995," 32 pages plus appendices.

Contact: Turra Bethune, CDIE

Phone: 703/875-4829

\*"Delegation of Authority to Country Experimental Labs" --- State cable 12400, May 20, 1995.

#### **Bangladesh:**

\*Experimental Labs: Specific Needs and Timeframe, August 1994, two pages.

Monitoring and Evaluation System for USAID/Bangladesh Country Experimental Laboratory, April 1995, 10 pages plus appendices.

\*Reengineering Report #1: The Experiment and Hypotheses, December 1994, six pages.

\*Reengineering Report #2: The Model and Charter, January 1995, eight pages.

\*Reengineering Report #3: The Evaluation Plan, February 1995, seven pages.

\*Reengineering Report #4: Evaluation Findings, October 1995, ten pages. (Attachments not including).

#### **Dominican Republic:**

The First Six Months: A Status Report of the Country Experimental Laboratory Experience (October 1994 - March 1995) - provides detailed information and highlights of before and after reengineering, 32 pages.

An interview with Marilyn Zak -- Zak, mission director in the Dominican Republic, discusses USAID's reengineering efforts,

*Front Lines*, May/June 1995.

**Guatemala:**

\*Reengineering Status Report, October 1994, six pages plus charts.

\*CEL Report #2 -- cable, April 24, 1995, four pages.

\*Strategic Plan -- April 21, 1995, 21 pages, plus annexes.

\*Plan for Improving Client Satisfaction with the Health Sector Program, April 20, 1995, nine pages.

Reengineering USAID/Guatemala -- an interview with Stacy Rhodes, mission director, *Front Lines*, July 1995.

\*"Report from the Field: USAID/G-CAP's Strategy Development" by Pat O'Connor, USAID/Guatemala-Central American Programs (G-CAP). *On Track*, September 1995.

**Jamaica:**

\*Customer Service Plan, five pages.

\*Reengineering Proposal Tracking Report.

\*Report #1 -- Cable, USAID/Jamaica, Nov. 30, 1994, two pages.

\*Report #2 -- Reengineering at USAID/Jamaica, two pages.

\*Report #3 -- Reengineering Effectiveness Report, April 1995, three pages.

**Madagascar:**

\*CEL Report #1 -- Describes mission's strategy and major findings based on CEL activities, April 1995, 10 pages.

\*CEL Reporting Plan, three pages.

\*CEL Report #2 -- July 1, 1995, six pages.

\*Customer Service Plan -- Discusses customers, how to reach them, principles of customer service, monitoring and evaluating services, etc. July 1995, 12 pages.

**Mali:**

\*Report #1 -- Reengineering Activities, 13 pages.

\*Report #2 -- Reengineering Activities, six pages.

\*Customer Service Plan, June 12, 1995, seven pages.

**Niger:**

\*Report #1 -- Strategic Planning, five pages.

\*Customer Service Plan -- July 10, 1995, 37 pages

**Philippines:**

\*CEL Reporting Plan, February 1995, two pages.

\*CEL Report #1 -- Reengineering Status Report, Nov. 28, 1994, four pages.

\*CEL Report #2 -- update, March 1995, two pages.

\*CEL Report #3 -- update, May 1995, two pages.

\*"Bringing Support and Technical Offices Together" by Mark Ward, USAID/Philippines. *On Track*, September 1995.

\*Lessons Learned: Negotiating a Strategic Objective Agreement --

memo, Oct. 5, 1995, three pages.

**Senegal:**

\*Report #1 -- Provides background information and CEL update, March 1995, 37 pages.

For reports and materials relating to Country Experimental Labs, contact: Yvonne John, AA/M/ROR Phone: 202/663-3397.

**CUSTOMER SERVICE:**

\*"Guidelines for Developing Customer Service Plans" -- USAID General Notice, April 1995.

"Phase I Customer Service Plan" -- eight-page brochure addresses concerns voiced by the agency's development partners (PVOs, NGOs, universities and businesses).

"Uncle Sher's Maxims for Customer Service Plans" -- H.S. (Sher) Plunkett, M/ROR, March 1995.

"Illustrative Indicators for Measuring the Four Core Values" -- M/ROR (modified version), February 1995.

"Basic Concepts and Techniques of Rapid Appraisal" -- James Beebe, Human Organizations, Spring 1995.

"Results of the M/AS Overseas Customer Service Survey" -- March 1995, six pages.

"Results of M/AS Customer Service Survey" -- December 1994, four pages.

\*"Service Quality and Customer Satisfaction Assessment" -- General Notice, May 1995.

\*"Steps for Customer Service Planning" -- USAID General Notice, June 1995.

\*"Ten Easy Steps for Developing Customer Standards" -- Liz Baltimore, June 1995, five pages.

\*"Customer Service Plan Questions and Answers" -- Sher Plunkett, Aug. 14, 1995, three pages.

Contact for all above customer service material: Sher Plunkett, M/ROR, Phone: 202/663-3390 or Liz Baltimore, M/ROR, Phone: 202/663-2459

"Conveyance of Client Direct Shopping System Survey Results to Survey Participants" ---- March 1995, five pages.

Contact: Marcia May, M/AS/COOS

Phone: 703/516-1991

\*"M/AS Announces Customer Service E-Mail Hotline" -- USAID General Notice, Jan. 3, 1995.

\*"M/IRM Establishes Ombudsman Hotlines" -- USAID General Notice, Jan. 3, 1995.

\*"IRM Customer Support Center" -- USAID/W Notice, June 12, 1995.

### FEEDBACK:

"Mini-Retreat Reports" -- Summaries of feedback received by the administrator in May 1995 from over 60 USAID missions and offices following his request for better two-way communication on the agency's reform effort. Each report includes a series of taskers responding to this feedback requested by Administrator Atwood in June 1995. Report topics are as follows:

- \*1. Communications
- \*2. Computers and Information Management Systems
- \*3. Customer Focus/Participation
- \*4. Empowerment and Accountability
- \*5. General/Misc.
- \*6. Operations Reengineering
- \*7. Personnel
- \*8. Procurement
- \*9. Teams
- \*10. Training
- \*11. Transitions.

Contact: Chris Phillips, AA/LPA

Phone: 202/647-4201

### GLOSSARIES

IRM Glossary - Contact: Judy Griffin, M/IRM/IPA  
Phone: 703/875-1325

Operations BAA Glossary - Contact: Mary Roko, M/AS  
Phone: 202/736-4746

\*Reform Glossary - Contact: Liz Baltimore, M/ROR

Phone: 202/663-2459

**NEW PARTNERSHIPS INITIATIVES:**

\*"New Partnerships Initiatives" -- USAID General Notice, May 24, 1995.

**OPERATIONS:**

"Making a Difference for Development" -- 144-page report prepared by USAID Business Area Analysis Team for Operations. Focus is on reengineering the agency's program operations with emphasis on four core values: customers, results, empowerment and teamwork.

Contact: Mary Roko, M/AS

Phone: 202/736-4746

"A New Beginning" -- *The ADS (Automated Directives System)* brochure, March 1995. Briefly outlines new ADS.

Contact: Genease E. Pettigrew, M/AS/ISS Phone: 703 647-8147

\*"Automated Directives Systems (ADS)" -- *On Track*, June 1995.

"The NMS Task Force: Teaming Up for Tough Decisions" -- by Joan Matejcek, *IRM at Work*, July 1995.

"USAID's Network Management" -- by Pat Kristobek, *IRM at Work*, June 1995.

\*"Automated Directives System" -- USAID General Notice, May 24, 1995.

\*"Global Leadership in Technology, Communications and Research" -- USAID General Notice, Aug. 1, 1995.

\*"Automated Directives System: Series 200, Chapters on Strategic Planning, Achieving, and Monitoring and Evaluating Performance" -- USAID/General Notice, Sept. 29, 1995.

**PARTICIPATION:**

"How to Recognize a Participatory Approach (if you bump into it in a dark alley)"-- Diane LaVoy, PPC/SP, January 1995.

**"Statement of Principles on Participatory Development" -- Brian Atwood, Nov. 16, 1993.**

**"Workshop Notes: Rapid Appraisal and Beyond" -- 15 pages. Available Oct. 31.**

**"The Participation Forum" - Summaries of monthly sessions of the Participation Forum, which include related E-mail on the subject.**

- \*Session 1: "Host Country Participation in USAID's Country Strategy Development" -- nine pages.**
- \*Session 2: "Building Participatory Programs on Local Culture" -- eight pages.**
- \*Session 3: "Participation in Policy Reform" -- 12 pages.**
- \*Session 4: "Participation in Policy Reform, continued" -- 13 pages.**
- \*Session 5: "Breathing New Life into Old Projects through Participation" -- 14 pages.**
- \*Session 6: "Improving Technical Rigor Through Participation" -- 12 pages.**
- \*Session 7: "Participation and Gender" -- 10 pages.**
- \*Session 8: "Participation in Conflict Resolution" -- 10 pages.**
- \*Session 9: "Participation When There Is No Time" -- 12 pages.**
- \*Session 10: "Strategies for Community Change" -- 12 pages.**
- \*Session 11: "Customer Service Plans: A New Commitment to End-User Participation or Just 'New-Speak' for Old Practices?" -- 12 pages.**
- \*Session 12: "From Clientilism to 'Customer Service' Orientation: Features of Good Public Sector Programs" -- 10 pages.**
- \*Session 13: "Do We Need to Practice What We Preach?" -- 10 pages.**

Contact: Diane LaVoy, PPC/AA

Phone: 202/746-7057

Please contact Diane LaVoy if you would like to be added to the "Participation Network." Forum members will receive copies of participation material and E-mails announcing all participation events.

To subscribe to the **Global Participation Network (GP-NET)**, please contact Wendy Kapustin (AA/PPC, 202-736-4299). GP-NET is a new electronic discussion group for USAID staff and other development practitioners anywhere in the world, which focuses attention on specific experiences and lessons learned about participatory approaches.

**PERSONNEL:**

\*"Human Resources BAA" -- USAID General Notice, Sept. 6, 1995.

"Human Resources Business Area Analysis" -- Vol. I, Workforce Management Employee Administration Compensation & Benefits, August 1995. This final report on human resources has been completed and approved for implementation. The report is being transmitted to each mission and office electronically.

Contact: Douglas Brandi or Robert Egge, M/HR/BSD,  
Phone: (202) 663-3400.

\*"Employee Evaluation Program (EEP) TOTs" (Training of Trainers)  
-- USAID General Notice, May 3, 1995.

\*"The New FS and GS Employee Evaluation Program" -- USAID General Notice, May 10, 1995.

\*"Overview of the Human Resources Business Area Analysis - USAID Reengineering Issues, Report #4" -- eight pages. This report discusses the work of the BAA team which is attempting to reengineer the agency's personnel functions and to automate many personnel processes. The team is supporting ongoing reforms in M/HR. In cable form, State 153219.

Contact: Ron Olsen, M/MPI/OD Phone: 202/647-2083

\*"Teamwork -- Views from the Field" -- *On Track*, July 1995.

\*"Overhauling Personnel Systems" -- by John Martin, *On Track*, May 1995.

\*"The Agency's Technical Staffing: New Relationships" -- USAID General Notice, June 19, 1995.

\*"Guidance on Handbook 25, Supplement 35A & Supplement 40C" -- USAID General Notice, May 12, 1995.

\*"Changing Roles in the Reinvented USAID" -- Sketches of how agency jobs will be affected by reform: Contracting Officer, Controller, Executive Officer, Mission and Office Director, Program Officer, Project Development and Technical Officer, Support Staff, and Foreign Service Nationals.

Contact: Susan Walls, M/MPI Phone: 202/647-0943

\*"HR-BAA Personnel Service Client Survey" -- USAID General Notice, May 5, 1995.

- \*"HR Responds to Survey" -- by John Martin, *On Track*, June 1995.
- \*"M/HR Relocation and Service Directory" -- USAID/W Notice, May 12, 1995.
- \*"Distribution of the Employee Evaluation Program Guidebook" -- General Notice, June 30, 1995.
- \*"Contractor Past Performance Information System" -- USAID General Notice, July 14, 1995.
- \*"Correction on MPI Reinvention Brochures" -- USAID General Notice, June 30, 1995.
- \*"Administrator's Message on the New Employee Evaluation Program" -- USAID General Notice, May 23, 1995.
- \*"Reinventing Support Staff Roles: the CDIE ATeam." *On Track*, September 1995.

**PROCUREMENT:**

"Acquisition & Assistance Business Area Analysis Report, May 1994" -- a 65-page report, including appendices, by USAID's Office of Procurement and Office of Information Resources Management. This report presents the results of the six-month Acquisition and Assistance Business Area Analysis Project conducted by a team of federal procurement professionals and systems specialists. The project applied information engineering techniques to the information needs of the agency's procurement functions.

Contact: Terry Payne

Phone: 703/812-0046

- \*"Contractor Past Performance Information System" -- USAID General Notice, July 14, 1995.
- \*"Agency Procurement Ombudsman" -- USAID General Notice, Jan. 24, 1995.
- "Acquisition & Assistance -- A New Management System" -- by Vicky Lieber, *IRM at Work*, June 1995.
- \*"Procurement Integrity" -- USAID General Notice, Feb. 1, 1995.
- \*"Policy Principles for Award of Assistance Instruments to PVOs and NGOs for Development and Humanitarian Assistance" -- USAID General Notice, May 25, 1995.



\*"Delegation of Authority To Issue Indefinite Quantity Contract (IQC) Delivery Orders in the Field" -- USAID General Notice, Jan. 18, 1995.

"Procurement Reform Report: Changing the Way We Do Business Around the World" -- Report focuses on 18 elements in streamlining USAID's procurement process, 155 pages.

Contact: Marcus Stevenson, M/OP/OD Phone: 703/875-1150

**Strategic Objective Agreement (SOAG):**

"U.S./Philippines Strategic Objective Agreement (SOAG): Agreement between U.S., acting through USAID, and the Republic of the Philippines, for a natural resources management program." Please note that this was signed prior to the distribution of the model SOAG located in the ADS 350 series. Copies of the principal agreement and Annex 1, the Amplified Description, are available through Richard Byess. Annex 2, the Standard Provisions, which were modified here in USAID/W after the execution of some CEL SOAGs, are available as part of the model referred to above in the ADS 350 series. While the Philippines-U.S. SOAG may be helpful for those preparing the strategic objective descriptions and related conditions of a SOAG as one example of such an effort, SO drafters should be certain to refer to the agency model, including the Standard Provisions, and related guidance notes found in the 350 series.

Contact: Richard Byess, M/ROR Phone: 202/663-2502

**TRAINING:**

\*"Training for New Information Systems and Reengineered Operating Systems"-- General notice to all employees from AA/M Larry Byrne, April 28, 1995.

Contact: Lucy Sotar, M/HR/TD, Phone: 703/875-1596 or  
Dennis Wendel, M/HR/TD, Phone: 703/875-1521

\*"EEP TOTs" -- USAID General Notice, May 3, 1995.

\*"Hot TOTs Video" -- USAID General Notice, May 4, 1995.

**TRANSITION GUIDANCE:**

**\*"Reengineering Transition Guidance Cables"--** a series of cables written for both USAID/W and the field that answer reengineering implementation and transition questions.

**\*1. Cable #1 -- "Rollout of the Reengineered USAID Systems,"** State 214052, Sept. 9, 1995. (Also sent as General Notice, 9/11/95.)

Contact: Richard Byess, M/ROR Phone: 202/663-2502

**\*2. Cable #2 -- "Transition to Reengineered Operations Processes,"** State 223146, Sept. 18, 1995. (Also sent as General Notice, 9/20/95.)

Contact: Wayne King, M/ROR Phone: 202/663-2499

**\*3. Cable #3 -- "New Management Systems Infrastructure,"** State 221491, Sept. 18, 1995. (Also sent as General Notice, 9/27/95.)

Contact: Joe Heffern, M/IRM/TCO Phone: 703/875-1228

**\*4. Cable #4 -- "New Management Systems (NMS) Applications Software,"** State 221492, Sept. 18, 1995. (Also sent as General Notice, 10/3/1995.)

Contact: Carrie Johnson, M/OP/E Phone: 703/812-0045

**\*5. Cable #5 -- "Customer Service Planning,"** State 234428, Oct. 3, 1995. (Also sent as General Notice, 10/5/1995.)

Contact: Liz Baltimore, M/ROR, Phone: 202/663-2459 or  
Sher Plunkett, M/ROR, Phone: 202/663-2496

**\*6. Cable #6 -- "Transition to Reengineered Operations Processes - Achieving,"** State 234430, Oct. 3, 1995. (Also sent as General Notice, 10/6/1995.)

Contact: Barry Burnett, A/MM Phone: 202/647-4390

**\*7. Cable #7 -- "Results Framework Development,"** State 255335, Oct. 28, 1995. (Also sent as General Notice, 10/25/95.)

Contact: John Bierke, M/ROR Phone: 202/663-2486

**\*8. Cable #8 -- "Automated Directives System in (ADS),"** State , (Also sent as General Notice, 10/25/95.)

Contact: Genease Pettigrew, M/AS/ISS Phone: 202/647-8147

\*9. Cable #9 -- "Teamwork and USAID's Reengineered Operations System," State 255298, Oct. 28, 1995. (Also sent as General Notice, 10/25/95.)

Contact: Liz Baltimore, M/ROR Phone: 202/663-2459

\*10. Cable #10 -- "Reengineered USAID Performance Monitoring and Evaluation Systems," State 255113, Oct. 28, 1995.

Contact: Harriett Destler, PPC/CDIE/PME, Phone: 703/875-4223, or  
Annette Binnendijk, PPC/CDIE, Phone: 703/875-4235

### VIDEOS:

"The Story of a Mission: Reengineering at USAID/Senegal" -- 21 minutes.  
Mission staff tells how USAID/Senegal is applying the fundamentals of reengineering -- creating strategic objective teams, changing the roles of mission personnel and empowering FSNs. Also featured are U.S. Ambassador to Senegal Mark Johnson and AA/Africa John Hicks. Released September 1995.

"Doing It Right" -- 14:45 min. Answers questions about foreign assistance and illustrates successful programs in countries where USAID is scheduled to close its missions: Costa Rica, the Czech Republic and Botswana.

"Reinventing USAID" -- 1 hr. 15 min. New contracts management and procurement procedures. A short version (11 min.) also available.  
"Participation" -- 21 min. A series of discussions and questions on what participation means.

"Reengineering" -- 50 min. Covers a series of presentations and panel discussions on what reengineering USAID means.

"USAID Reforms: The First Country Lab Reports" -- 61 min. USAID/W all-agency meeting with reengineering reports from missions in the Philippines, Guatemala, Mali, Madagascar, Bangladesh, Jamaica and the Dominican Republic.

"Reinventing Government...By the People -- National Performance Review" -- 33 min. Vice President Al Gore speaks and answers questions from U.S. government employees.

"USAID Performance Review" -- 16:30 min. Explains the new combined performance evaluation system for Civil Service and Foreign Service employees.

**"Global Connections" (USAID Overview)** - 21 minutes. (A short version, 12 min., also available.) Presents an overview of the U.S. foreign economic and humanitarian assistance program and describes USAID's strategic priorities in the post-Cold War era. Explains how the U.S. commitment to help developing countries has benefited Americans by creating new markets, new exports and jobs.

**"New Management Systems - Training of Trainers Meeting"** -- Aug. 7, 1995, 30 minutes. This video features remarks by Administrator Brian Atwood and AA/M Larry Byrne presented at the Training of Trainers course on the new management systems and how this will change the way the agency works.

**"The Future of Foreign Aid"** -- Aug. 30, 1995, 57 minutes. This video features remarks by Administrator Atwood at a panel discussion on the future of foreign aid, organized by the Center for National Policy.

Contact for all above videos: Rolanda Savoy, LPA/MC  
Phone: 202/647-3910

**"The Three Cornerstones of the Learning Organization"** -- USAID recently participated in a video conference program led by Dr. Peter Senge and Dr. Rick Ross and Production Associates. The three-part program is shown in three videos. Each program is approximately 2 hrs. 30 min. in length and is designed to be presented in a group format suitable for discussion. Videotapes of the three programs are available at the USAID Learning Resources Center.

Contact: Ellen Boissevain, M/HR Phone: 703/875-1919

**"USAID: Performance Review"** -- a TOTs 16 min. video that covers the high points of the new personnel system.

Contact: Roger Conrad, M/HR Phone: 202663-1443

#### **WHO'S WHO IN THE REFORM EFFORT:**

\*A list of USAID employees serving on reengineering committees along with phone numbers.

Contact: Karen Thornton, M/ROR Phone: 202/663-3387

## **SUGGESTED READINGS:**

**\*"Reengineering: The Latest in the Literature" -- Updated each month in *On Track*.**

### **BOOKS:**

**All Teams Are Not Created Equal: How Employee Empowerment Really Works, Lyman D. Ketchum**

**Bosses Without Bosses, Self-Managing Teams, Charles C. Manns and Henry P. Sims**

**Change Agents, Manuel London**

**Change-Agent Skills: Assessing & Designing Excellence, Gerard Egan**

**Coaching for Commitment, Dennis C. Kinlaw**

**Deming Management at Work, Mary Walton**

**The Deming Management Method, Mary Walton**

**Empowerment in Organizations: How to Spark Exceptional Performance, Judith F. Vogt**

**The Fifth Discipline, The Art and Practice of The Learning Organization, Peter M. Senge**

**From Red Tape to Results: Creating a Government that Works Better & Costs Less: Report of the National Performance Review**

**How to Win Customers and Keep Them for Life, Michael LeBoeuf**

**In Search of Excellence, Tom Peters and Robert H. Waterman, Jr.**

**Intervention and Collaboration: Helping Organizations to Change, Hedley G. Dimock**

**Liberation Management: Necessary Disorganization for the Nanosecond Nineties, Thomas Peters**

**Management of Organizational Behavior: Utilizing Human Resources, Paul Hersey**

**Management Reform: Implementation of the National Performance Review's Recommendations, U.S. General Accounting Office**

**Measuring Customer Satisfaction, Bob E. Hayes**

**A Passion for Excellence, Tom Peters and Nancy Austin**

**Raving Fans, A Revolutionary Customer Service Approach,  
Ken Blanchard and Shelton Bowles**

**The Reengineering Corporation, Michael Hammer and James Champy**

**Reengineering Management: the Mandate for New Leadership,  
James Champy**

**The Reengineering Revolution, Michael Hammer**

**Reengineering the Corporation: A Manifesto for Business  
Revolution, Michael Hammer**

**Reinventing Government, David Osborne and Ted Gaebler**

**Self-Directed Work Teams, Jack D. Orsburn, Linda Moran,  
Ed Musselwhite and John Zenger**

**Seamless Government: A Practical Guide to Reengineering in the  
Public Sector, M. Linden Russell**

**Sculpting the Learning Organizations: Lessons in the Art and  
Science of Systemic Change, Karen E. Watkins**

**Teaching the Elephant to Dance: Empowering Change in Your  
Organization, James A. Belasco**

**Thriving on Chaos, Tom Peters**

**Ten Steps to a Learning Organization, Peter Kline**

**The Tom Peters Seminar: Crazy Times Call for Crazy Organization,  
Thomas J. Peters**

**The Transformational Leader, Noel M. Tichy and Mary Anne Devanna**

**Reinventing the Workplace: How Business and Employees Can Both  
Win, Donald I. Levine**

**The 21st Century Organization: Reinventing through Reengineering,  
Warren Bennis**

**ARTICLES:**

**A Primer On Process Reengineering, A.C. Hyde, The Public Manager,  
Spring 1995**

**Beyond Total Quality Management and Reengineering: Managing**

**Through Processes**, Harvard Business Review, September-October 1995

**Build Learning Into Work**, Marcia Atkinson, HR Magazine, September 1994

**Control in an Age of Empowerment**, Robert Simons, Harvard Business Review, May-June 1995

**Eureka? (reinvention lab)**, Marcia Atkinson, HR Magazine, September 1994

**The Fifth Discipline**, Peter M. Senge, Soundview Executive Book Summarie, 1994

**Government Executive Reengineering Guide**, Government Executive, September 1995

**Grasping the Learning Organization**, Gene Calvert, Sandra Mobley and Lisa Marshall, Training & Development, June 1994

**How to Lead a Revolution**, Thomas A. Stewart, Fortune, Nov. 28, 1994

**In Search of the Future**, Tom Broersma, Training & Development, January 1995

**Introducing Reengineering to Government**, Carolyn Burstein, The Public Manager, Spring 1995

**Leading Change: Why Transformation Efforts Fail**, John P. Kotter, Harvard Business Review, March-April 1995

**Leveraging Processes for Strategic Advantage**, David A. Garvin, Harvard Business Review, September-October 1995

**The Learning Organization: An Integrative Vision for HRD**, Victoria J. Marsick and Karen E. Watkins, Human Resource Development Quarterly, Winter 1994

**Mr. Learning Organization**, Brian Dumaine, Fortune, Oct. 17, 1994

**New Ideas from the Army**, Lee Smith, Fortune, Sept. 19, 1994

**Point-Counterpoint: Teams in the Workplace**, Adam D. Silverman and Mike Puelle, The Public Manager, Spring 1995

**Reengineering: Plug into the Human Factor**, Richard S. Wellins and Julie Schulz Murphy, Training & Development, January 1995

**Reengineering Reviewed**, The Economist, July 2, 1994

**The Struggle to Create an Organization for the 21st Century,**  
Rahul Jacob, Fortune, April 3, 1995

**The Trouble with Teams -- Together Has its Perils,**  
The Economist, Jan. 14, 1995

**Trust and the Virtual Organization,** Charles Handy, Harvard  
Business Review, May-June 1995

**When Intelligence Rules, the Manager's Job Changes,**  
Oren Harari, Management Review, July 1994

**When New Worlds Stir,** Nicolas Imparato and Oren Harari, American  
Management Association, October 1994

**Why Microsoft Can't Stop Lotus Notes,** David Kirkpatrick, Fortune,  
Dec. 12, 1994

**AUDIO: (Books on cassette)**

**The Fifth Discipline, The Art and Practice of the Learning  
Organization - Peter M. Senge**

**In Search of Excellence - Tom Peters and Robert H. Waterman, Jr.**

**Managing in Turbulent Times - Peter Drucker**

**Reengineering the Corporation - Michael Hammer and James Champy**

**The Reengineering Corporation - Michael Hammer and James Champy**

**Thriving on Chaos: Handbook for a Management Revolution - Tom  
Peters**







## **Section 3**

# **Reengineering and the Program Cycle in ENI**

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ENI's Reengineering (The MegaMemo)

Bureau Operating Procedure (Number 300), with Annexes

The Agency's Strategic Framework and Indicators, 1995-1996

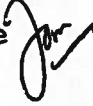
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

ASSISTANT  
ADMINISTRATOR

NOV 27 1995

MEMORANDUM

TO: ENI Staff Overseas and in Washington

FROM: AA/ENI, Thomas A. Dine 

SUBJECT: ENI's Reengineering

Attached is the basic step-by-step ENI blueprint for achieving reengineering. I wholeheartedly endorse this operational document, which lays out for all of you what our workplan for reengineering will be for the next year, and I thank all the field and Washington members of the ENI Reengineering Working Group who worked so hard to chart this clear course for us.

The keys to this pursuit are threefold: (1) to adopt those USAID reengineering principles that will make us more efficient or more effective, (2) to adapt other principles to our needs, and (3) to exempt us from those reengineering elements that do not possess an ENI logic.

Let us keep in mind the following:

- Results, results, results. Results frameworks, the R4 process, and management contracts certainly sound bureaucratic, but, in looking at these more closely, I'm convinced they are critical to what we do, the key to solving the problem of differing field and ENI/W perceptions about what we should be doing, and essential to enable us to explain the success of our efforts.

The essence of the results framework is explicitly stating what we plan to achieve. We're going to review these in the spring, and the result of those reviews will be agreement between field and ENI/W staff on the targets we expect to achieve, how we will achieve them, and who will be responsible for making that happen. In essence, that will form the management contract. In addition, the progress you report towards your objectives and targets will enable us to agree on and argue for our budget priorities and to clearly explain the success we are having.

- Strategic objective teams. As you will see from the attached memorandum, we are going to have such teams for each objective we are pursuing in each of our countries, and I want each team led by someone designated by the principle USAID officer in

the field. Because of the structure of our Bureau, key members of many of the teams will be people here in ENI/W, but, to the extent possible, I want final judgements on how we will achieve our objectives made by staff on the ground overseas. This does not mean that I expect field staff to operate independently of ENI/W staff. In fact, I mean the opposite. In arriving at your decisions, I want and expect that teams will draw on the knowledge, skills, advice, and capability of all of their members, be they here or there. In doing so, I want everyone rowing the boat in the same direction through collaboration, cooperation and, yes, teamwork. Does this mean a quantum leap in our delegations to the field? Unfortunately, no. We're all aware of the environment that we work in, with close scrutiny by many interested parties. But I do want to see more authority delegated to strategic objective teams, and, over time, I want to see more decisions made by these teams and fewer bucked up to the DAA and AA level.

- Accountability and empowerment. Many of you know that an important reengineering concept is accountability for achieving objectives. I am sure that you are asking yourselves how you can be held accountable for achieving objectives that entail vast changes in your countries that you cannot control. You probably even wonder how you can be held accountable for things you should have some control over when you haven't been delegated the full authority for managing all your resources.

Here is how I see that working; it is fairly simple. Our Principal Field Officers and strategic objective teams will be held responsible for managing for results. You must do your best to achieve the results in your management contract. And if a result proves to be unreachable, you will be expected to recognize that and deal with it as promptly as possible. It may be that you need to redesign an activity, secure the cooperation of another donor, petition for additional resources, or change or abandon an objective. But, as long as you are managing for results to the best of your ability, I will support you to the best of mine.

Finally, I want to thank all of you for your efforts this past year. I know that it has not been an easy one with budget uncertainties and shifts, and furlough, RIF, and merger concerns adding to the stress of the tremendous day-to-day work load you all bear. I cannot promise you that the next year will be easier. But I can say that I admire your dedication to the cause of development, a strong foreign policy, and a better America. The changes that you are helping to bring about are critical to our country's future and to the wellbeing of all in the ENI world. I am proud to serve with you.



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

November 21, 1995

**ACTION MEMORANDUM**

**TO:** AA/ENI, Thomas A. Dine

**FROM:** *for* ENI Reengineering Working Group *JMC*

**SUBJECT:** ENI's Transition to Reengineering

USAID's reengineered systems are due to kick in during FY 1996. Some new requirements will commence early in the year, and others near the end. The ENI Reengineering Work Group (RWG), composed of 26 ENI/W staff and 18 ENI field personnel, has been meeting since May to develop an understanding of the Agency's reengineering and develop a blueprint for ENI's transition to reengineering. This memorandum presents for your approval the RWG's recommendations for changes in ENI's operating procedures and assigns implementation actions within the bureau. (The names of the RWG members are attached to the end of this memorandum.)

This memorandum deals mainly with the transition to reengineered operations for strategic planning and judging results and with how we should organize ourselves to do these things. We also have met among ourselves and with Agency reengineering folks on budget planning, procurement, and accounting and have a few recommendations in these areas, as well. We also deal with reengineering training.

The Agency has recently developed a series of eleven cables to the field detailing the requirements of reengineering and setting forth a transition schedule. It is not the purpose of this memorandum to repeat or replace those transition plans. Rather, this memorandum interprets Agency requirements in the ENI context, supplements the Agency guidance with ENI-specific detail, and assigns action to ENI offices.

Three successive drafts of this memorandum have been vetted with all ENI offices and all field posts. Although we did not seek formal clearance from so many operating units, we can confidently report that we have developed a consensus.

## A. STRATEGIC PLANNING

The Automated Directives System (ADS) 200 series provides policies and essential procedures on the new operations systems, including strategic planning.

**ISSUE 1: Country Strategic Plans.** Under reengineering, plans shall be developed for all country programs according to strategic objectives. However, during a transition period, operating units may use their most recently approved strategies or action plans. For ENI, currently approved strategies, as modified to include strategic objectives and targets against those objectives, will serve as strategic plans until such plans are revised. ENI's draft guidance on country strategies, sent to the field in February 1995, is quite consistent with the new reengineering precepts but needs some updating to include, for example, requirements for results frameworks, durations of strategic objectives, and life-of-objective funding levels.

**Recommendation 1.1.** ENI's draft strategy guidance should be revised, in light of reengineering requirements, and issued.

**Action:** ENI/PCS

**Due Date:** November 30, 1995

**Recommendation 1.2.** All ENI country programs should not be required to write and gain approval for new strategic plans consistent with the new guidance during 1996. Normally country strategies should be revised every third year. The bureau should develop a schedule of strategic plan submissions, with about six country strategic plans due in the spring of 1996 prior to submission of the R4s (Results Reviews and Resource Requests).

**Action:** ENI/PCS

**Due Date:** November 30, 1995

**Recommendation 1.3.** Strategic plans should not be required of ENI country programs due to phase out (obligate their final funding) before FY 1998. At this point, exempted countries include Czech Republic, Estonia, Latvia and Slovenia. Others may soon be added to this list.

**ISSUE 2: Strategic Objectives.** Under reengineering, the strategic objective will be the new unit for setting strategies and budgets, specifying expected results, notifying Congress, and obligating funds. In the sustainable development (DA, ESF) countries, field posts are free to specify their own strategic objectives. In ENI we have developed a set of 14 Bureau Objectives that cover most of the activities funded under our

SEED- and FSA-funded projects. This limited set reflects the facts that (1) we are doing a limited number of things to effect economic and political transitions in our unique region and (2) we can expect to undertake very similar activities in the countries of our region with our regional project portfolio. Having a common set of objectives will enable us to aggregate financial data and results when reporting to the Bureau, the Agency, and the Hill.

**Recommendation 2.1.** ENI's set of objectives, sent to the field in December 1994, should serve as the menu from which ENI country programs can select strategic objectives. The wording and number of these objectives may be modified as a result of the recent results framework exercises in three pilot countries. A revised set of objectives will be vetted in the Bureau and the field.

**Action:** ENI/PCS

**Due Date:** November 15, 1995 (done)

**Recommendation 2.2.** To help the Bureau arrive at a consensus as to what each program objective means and what activities should be undertaken under each objective, descriptions of what we mean by each program objective should be developed and transmitted to the field and ENI/W offices for comment.

**Action:** ENI/PCS

**Due Date:** November 15, 1995 (done)

**Recommendation 2.3.** Field Missions should be permitted to word their SOs more narrowly than the ENI objectives. Doing so would increase field "ownership" of SOs and would make the SOs more achievable than the broad ENI objectives. To preserve the discipline of the Bureau menu, however, any reworded country SO should align clearly with an ENI objective and must fall completely within the confines of that ENI objective.

**Action:** ENI/PCS to develop guidance on how to redefine mission SOs within the confines of a Bureau PO.

**Due Date:** November 15, 1995 (done)

**ISSUE 3: Special Objectives.** All program-funded activities that do not contribute to the achievement of a strategic objective must be linked in the new budget planning software to a "special objective."

**Recommendation 3.1.** In ENI these miscellaneous activities (including some with strong Congressional or Administration support but not essential to the achievement of a strategic objective) should be grouped under a special objective called "cross-cutting activities and special initiatives." No results frameworks should be required for special initiatives. Targets and indicators should be established for each activity under special initiatives, however, so that progress in achieving the



purpose of each activity can be assessed.

**ISSUE 4: Results Frameworks.** A results framework specifies the hierarchy of intermediate results necessary to the achievement of a strategic objective. Associated with each result (including the objective itself) is at least one indicator (what will be measured) and target (including a date and, wherever possible, quantity to be achieved). The Agency is requiring that results frameworks be developed for all strategic objectives, wherever possible, by the time R4s (Results Reviews and Resource Requests) are completed in March 1996 and in all cases before the end of FY 1996.

**Recommendation 4.1.** Results frameworks should be prepared by March 1996 for all strategic objectives for which funding will be obligated after 1996. Exempted should be all SOs in country programs or regional operating units that will obligate no new funds after 1997. By this criterion, Czech Republic, Estonia, Latvia, and Slovenia would be exempted. The results frameworks should be submitted to ENI/W as part of the country R4 packages in March- April, 1996. Since most ENI posts do not have existing strategic plans done by strategic objective, these results frameworks will serve as the guts of new strategic plans. They are the necessary vehicle for revising our country-specific targets. We cannot do R4s without them.  
**Action:** ENI Missions and OARs  
**Due Date:** March, 1996

**Recommendation 4.2.** For country programs and SOs exempted from developing results frameworks, indicators and targets should still be developed at the SO level and past performance against these indicators should be entered into the ENI data base.

**Recommendation 4.3.** To help the field with their results frameworks, and to promote a similar approach to the definition of results across similar ENI country programs, the Bureau is developing a set of suggested performance indicators and is assisting three field posts (Kazakhstan, Poland, and Bulgaria) in developing their results frameworks. The results of these three pilots, and the lessons learned in developing them, should be sent to the field as samples.  
**Action:** ENI/PCS, USAID/Almaty, USAID/Sofia, USAID/Warsaw  
**Due Date:** December 31, 1995

**Recommendation 4.4.** To assist the field, especially the smaller posts, in developing and critiquing their results frameworks, ENI/W should contract for the services of a consulting firm expert in these matters. Staff from ENI/PCS, country desks, technical offices, and ENI/PD in ENI/W are expected to participate with consultant teams to assist field posts to prepare results frameworks.

**Action:** ENI/PCS  
**Due Date:** November 30, 1995

**ISSUE 5: Customer Service Plans (CSPs).** The Agency requires that operating units have on file customer service plans that document the consultative process they have undertaken with their customers (beneficiaries) in establishing objectives and expected results. It is not required that CSPs be submitted to AID/W for approval. An Agency message recently went to the field providing guidance and requirements for customer service plans.

**Recommendation 5.1.** In ENI, customer service plans should be required only of posts that will obligate funds after FY 1997. No customer service plan should be required of Czech Republic, Estonia, Latvia, or Slovenia. Others may be added to this list. If the programs now being developed for Bosnia and Croatia turn out to be one-shot assistance programs and will not be substantially redesigned, then they will not benefit from CSPs and should also be exempted.

**Recommendation 5.2.** Regional Missions should have the option of developing a single CSP for their regions, as long as significant differences among customers are taken into account.

**Recommendation 5.3.** At all field posts where customer service plans are required, the plans should be completed by the end of FY 1996. Posts should be required to certify to you that they have completed their plans.

**Action:** ENI Missions and OARS  
**Due Date:** September 30, 1996

**Recommendation 5.4.** Posts submitting new strategic plans in FY 1996 should complete their customer service plans prior to completing their strategic plans.

**Recommendation 5.5.** Customer service plans should be done by ENI/W operating units that manage significant activities that are truly regional in nature.

**Action:** ENI/PD to determine which AID/W offices are operating units.

**Due date:** December 31, 1995

**Action:** ENI/W operating units complete their CSPs

**Due date:** September 30, 1996

**Recommendation 5.6.** No customer service plans should be developed for the political programs in Ireland, Cyprus, and Turkey, since the directions of these programs are set by Congress and cannot be affected by the results of such an exercise.

**Recommendation 5.7.** To help the field with their customer service plans, ENI/W should gather the best examples of CSPs from other regions and send them to ENI field posts.

**Action:** Reengineering Working Group

**Due Date:** November 30, 1995

## B. ORGANIZING ENI TO ACHIEVE RESULTS

**ISSUE 6: Definition of Operating Unit.** How will ENI define the "operating unit", which, under reengineering, is accountable for program results?

**Recommendation 6.1.** The USAID Mission or OAR will be the Operating Unit in ENI, except for certain cases. These exceptions include programs in countries where we do not have field staff, such as Ireland, Cyprus, and Turkey, and activities that are clearly regional in nature. For such programs the operating unit will be in ENI/W. A list of such programs will be developed and the operating unit identified.

**Action:** ENI/PD

**Due date:** December 31, 1995

**Recommendation 6.2.** There will not be a blanket delegation of authority for all aspects of planning, achieving, and judging ENI programs. Instead, delegations will be considered annually during the R4 review and revisited as necessary annually as part of the R4 review. The delegations will be reflected in the documentation identifying the results of the R4 review. This documentation, which is expected to be reflected in a cable, will also serve as the management contract between ENI/W and the operating unit. The principle that the Bureau will follow is maximum delegation of the authority to strategic objective teams, whether they are in the field or ENI/W. Until there are new delegations, current delegations should remain in effect, unless events require a change.

### **ISSUE 7: Strategic Objective Teams and ENI Objective Councils.**

Strategic Objective Teams are responsible for achieving the results set for each strategic objective. An SO team will be created for each SO active in each ENI recipient country or regional operating unit. SO teams are accountable to the head of the operating unit. Most SO teams should be headed by an officer assigned to the field post, as determined by the principal field officer. In some cases, an SO team leaders may be chosen from an ENI/W technical offices. In almost all cases at least one ENI/W technical office representative would serve on each SO team. At the smaller posts (e.g. again Macedonia) most

SO team members would be from ENI/W. Field posts should take the lead in proposing teams and team leaders, but this should be done in close consultation with the technical offices. ENI/W technical office directors must approve assignment of any of their staff to country SO teams. SO teams will be formally approved by the AA/ENI as part of the management contract that results from each country's R4 review.

To the extent possible, the team as a whole or its members will be delegated the authorities necessary to achieve the targets associated with each result. In working together toward agreed objectives, results, and targets, some activities through which assistance is provided to achieve the objectives and targets will be directly managed by field-based team members while others will be directly managed by ENI/W "virtual" team members.

ENI Objective Councils will be established to monitor objectives and results on a region-wide basis, to track regional concerns that may transcend any particular country strategic objective, and to analyze issues and trends needing senior management attention. An ENI Objective Council will be established for each of the objectives on ENI's regional menu. ENI Objective Council Chairpersons will be designated by the DAA for Project Administration. Councils will normally be comprised of the AID/W members of the country SO Teams that cluster under each ENI Objective and at least one virtual team member from a CEE post and from and NIS post.

**Recommendation 7.1.** ENI/W should work with one large Mission and one small OAR to develop sample sets of SO teams. ENI/W should then develop and disseminate guidelines on the composition, leadership, and authority of SO teams.

**Action:** ENI/PD

**Due Date:** December 15, 1995

**Recommendation 7.2.** Guidance on the membership and responsibilities of Program Objective Councils should be developed and shared with the field and all ENI/W offices.

**Action:** ENI/PD

**Due Date:** December 15, 1995

**Recommendation 7.3.** Operating Units should consult with the technical offices, identify SO teams, and submit a list of teams and members with their R4 submissions.

**Action:** Field posts

**Due Date:** March-May, 1996

**ISSUE 8: Reorganizing Field Posts.** In other bureaus, some Missions are reorganizing to align their divisions to strategic objectives.

**Recommendation 8.1.** This should be left entirely to the field to propose when and if they want to.

**ISSUE 9: Reorganizing ENI/W.** Should ENI's technical offices be reorganized to conform to the Bureau's strategic objectives? Since managers of activities in different offices will be jointly responsible for achieving a set of results and objectives, should they be reorganized to be in the same technical office? This may be problematic in areas where a group with sectoral expertise (e.g., housing) would be pulled apart because its members contribute to several SOs. And how about the broad contracts that manage participant training across objectives? The training staff would not likely be more efficient if dispersed among all the SO technical offices.

**Recommendation 9.1.** We should not reorganize our technical offices at this time. This issue should be discussed among the technical offices under DAA Don Pressley's leadership. There is no need to rush to a decision. We could get six months into reengineering and see how well our current organization works. However ENI/W's technical offices are organized, the primary responsibility of the staff of those offices should be to support the achievement of strategic objectives.

## C. OBLIGATING FUNDS UNDER STRATEGIC OBJECTIVES

Under USAID's reengineered operations, program funds are to be obligated *by* or *under* a strategic objective. Obligating *by* SO is normally done through bilateral Strategic Objective Agreements, analogous to the bilateral Project Agreements typical in USAID's sustainable development countries. Obligation *under* an SO is done by grant or contract within the framework of a strategic objective. Since we in ENI obligate the great majority of our funding through grants and contracts, it only makes sense to continue doing so. We will also budget funds by SO.

**ISSUE 10: Alignment of activities with strategic or special objectives.** Reengineering's new automated systems require that each FY 96 obligation be associated with a strategic objective or a special objective.

**Recommendation 10.1.** After revising the ENI Objectives, ENI/W should reach agreement with each Mission and OAR on alignment of every grant and contract, both new and existing, with a strategic

objective or a special objective. (These assignments may be revised in the course of results framework preparation.) Some instruments (e.g. the omnibus contracts, Eurasia Foundation grant, training contracts, housing contracts) will have to be split over more than one strategic objective.

**Action:** ENI/PCS to develop listing of all funding instruments organized by strategic objective.

**Due Date:** November 30, 1995

**Recommendation 10.2.** Field Posts should have a say in which strategic objective an activity is assigned to, and it may vary from one country to another. It may be that a regional privatization contract will promote the "privatization of state-owned assets" objective in Romania but may promote "strengthen local government" in Bulgaria by privatizing municipal corporations to free local government to do other work. These assignments may change over time as strategies evolve. Changes should be proposed in the R4 each spring.

**Action:** ENI/PCS to solicit field input on country variations in assignment of obligating instruments by strategic objective.

**Due Date:** November 30, 1995

**Action:** Field to respond with requests for country-specific variations.

**Due Date:** December 15, 1995

**Action:** Assignments finalized by PCS in regional budget

**Due Date:** January 15, 1995.

**Recommendation 10.3.** Beginning May, 1996, ENI should begin obligating funds under strategic objectives, rather than under projects. To replace the projects and their current authorizations, we should include in ENI's new set of management contracts an accounting of all funding provided under each SO in each country to date and a balance of approved funding for the upcoming year. This section of the country management contracts should contain the following information:

- definition of the SO, including the results expected and the list of indicators to measure progress toward achievement of the SO and principal intermediate results;
- a duration for the objective and a life-of-objective funding level, to include prior year funds obligated into projects;
- a listing of past expenditures and current pipeline for each obligating instrument included under the strategic objective;
- a statutory checklist and any waivers required for implementation.

When management contracts have been signed accounting for all prior year funds, the project authorizations (and the projects themselves) will be rendered obsolete. The grants and contracts will continue. Future obligations will be into grants and contracts within these strategic objective funding levels.

**Action:** ENI/PD to develop a sample management contract.

**Due Date:** December 15, 1995.

**Action:** Full set of transition accounts (organizing under each SO in each country all prior year funding by obligating instrument and accounting for all authorized funds) to be developed by ENI/PD prior to the R4 reviews

**Due Date:** March 15, 1995

**ISSUE 11: Procurement Planning.** The Agency's new automated systems should facilitate better integration of budgeting and procurement planning. However, it appears highly unlikely that these systems will be on-line in time to be used for the FY 96 ENI procurement plan, now under preparation. Moreover, neither the new Agency Directives nor the transition cables issued to date clarify ground rules by which modifications to the plan can or cannot be made over the course of the fiscal year.

**Recommendation 11.1.** ENI should develop and maintain its own FY 1996 procurement plan, in parallel with the APPS, until such time as integrated budget, accounting, and procurement systems are available at the Agency level. It should account for the entire ENI budget, including non-O.P. and field obligations and be linked to country and strategic objective budget levels.

**Action:** ENI/PD

**Due Date:** December 15, 1995

**Recommendation 11.2.** ENI should work with O.P to agree on clear guidelines giving ENI the flexibility to negotiate adjustments to the procurement plan in a straightforward, transparent, manner. Roles and responsibilities for the maintenance of procurement planning and tracking information should be clearly established.

**Action:** ENI/PD

**Due Date:** December 15, 1995

## **D. ASSESSING PERFORMANCE**

**ISSUE 12: How will ENI report on results before the results frameworks are completed and the objectives, indicators, and targets revised?**

**Recommendation 12.1.** The field should report on the current set of strategic objectives (established in March 1995) this fall, using the MRS where available and WP formats where the MRS is not up and running. This is required by OMB.

**Action:** Bureau sends guidance to the field on reporting

progress against strategic objectives and on the review process for these reports. (ENI/PD and ENI/PCS)

**Due date:** October 10, 1995 (done)

**Action:** Field posts to report on progress in achieving objectives, conferring, as necessary, with ENI/W technical staff to prepare accurate reports.

**Due Date:** October 31, 1995 (done)

**Action:** ENI/PCS to review progress reported on Strategic Objectives in coordination with ENI/PD, country desks, and technical offices and reports to bureau and field on summary findings.

**Due date:** January 15, 1996.

**ISSUE 13: Regular reporting on results.** After completion of the results frameworks and revision of the indicators and targets (March and April, 1996), how often and when in the annual program cycle, should the field report on progress in achieving targets and objectives?

**Recommendation 13.1.** Once a year is sufficient to do this. The timing should be spring, as part of the R4s (Results Review and Resource Request) linking performance to resource allocations. The first reporting on the revised targets will be in April - May 1996. The next reporting from the field would be in April - May 1997.

**ISSUE 14: Activity Reporting.** Should ENI/Washington receive periodic reports on program activities of "providers" (contractors and grantees) and, if so, when?

**Recommendation 14.1.** Although activity-level reporting is not required as a part of the reengineering process, the MRS includes a simple format for tracking important activity outcomes. Such reporting available to all on computer screens will be a valuable management tool for all of us and should be done. Early in the first quarter of the fiscal year, posts and offices should complete MRS activity monitoring reports (AMRs) and enter these into the BeyondMail database. AMRs will be used to review implementation activity bureau-wide to determine if any problems require senior management attention and to prepare the annual M/OP procurement plan. ENI/PD will negotiate timing of procurement plan (and, thus, AMR) submission with M/OP.

**Action:** ENI/PD to prepare detailed guidance message

**Due Date:** November 30, 1995

**ISSUE 15: Evaluations.** Should the role of evaluations change



now that the Bureau is regularly reporting on results under the reengineered operations systems?

**Recommendation 15.1.** ENI/PCS should continue to manage program evaluations on behalf of the Bureau. These will typically look at issues across several countries. They should now be developed along ENI Objective (or a portion of an ENI Objective) lines. Because we will routinely be collecting information on WHAT we are achieving through the SO and target reports, these program evaluations should look and the HOW and WHY questions. Often failing to achieve or exceeding targets may prompt us to initiate a bureau evaluation.

**Action:** ENI/PCS

**Recommendation 15.2.** At their own volition, field posts and technical offices may continue to undertake evaluations of activities as management tools. Once SO teams are designated, this will become the responsibility of the SO team.

## **E. BUDGETING AND ACCOUNTING**

**ISSUE 16:** Budget planning and accounting before the newly reengineered automated systems are completed and installed.

**Recommendation 16.1.** Develop our own data base of obligations and expenditures by country and by strategic objective for all years.

**Action:** ENI/PCS and ENI/PD

**Due Date:** December 31, 1995

**Recommendation 16.2.** Work with M/FM to migrate these historical data by country into the AWACS accounting system.

**Action:** ENI/FS and ENI/PD

## **F. CONTRACTING**

**ISSUE 17:** Performance-based Contracting. The reengineering precepts call for a move to performance-based contracting (for results) in lieu of USAID's more traditional contracting for levels of effort (inputs). There is no requirement that a certain volume of contracting be done in this way by a certain date.

**Recommendation 17.1.** The Bureau should obtain from OP, from the Intensive Reengineering Team, and from ENI offices the best examples of performance based contracts that the agency has.

These should be shared with PD, the technical offices, and the field.

**Action:** ENI/PD

**Due date:** December 15, 1995

**Recommendation 17.2.** Each ENI/W technical office should offer at least one contracting action (new grant or contract or amendment or a task order) that it recommends be a candidate for performance-based contracting this year. The field may offer candidates if it wishes to.

**Action:** ENI technical offices

**Due Date:** January 15, 1996

**ISSUE 18: Country accounting by grantees.** Many ENI grantees are not yet reporting expenditures by country. OMB regulations preclude the Office of Procurement from including language in the grants and cooperative agreements requiring recipients to provide periodic financial reports to USAID by country.

**Recommendation 18.1.** ENI Bureau should seek a class deviation from the OMB policy.

**Action:** ENI/PD

**Due Date:** November 30, 1995

**Recommendation 18.2.** A letter should go to all grantees that are not yet reporting expenditures by country, requiring them to do so.

**Action:** ENI/PD

**Due Date:** Upon granting of the OMB exception

**Recommendation 18.3.** All new grant amendments must contain this reporting requirement.

**Action:** ENI/PD

## **G. REENGINEERING TRAINING**

**ISSUE 19: Reengineering Training.** The Agency's reengineering training has been weak and has not focussed sufficiently on the nuts and bolts of how we will change our ways of doing business.

**Recommendation 19.1.** ENI should solicit from the bureau and the field the perceived needs for reengineering training. These should then be sent to M Bureau to improve the reengineering curriculum. To the extent that the Agency's training does not meet our needs, ENI should contract for expertise to supplement

agency training, both in ENI/W and in the field.

**Action:** ENI/AMS to survey and recommend follow-up actions

**Due Date:** November 30, 1995

**Recommendation 19.2.** ENI should recast the November Program Officer's Conference (tentatively scheduled for Budapest) as a reengineering workshop to focus on the operations portions (strategic planning, managing for results, impact assessment) of reengineering.

**Action:** ENI/PCS to coordinate the workshop

**Due Date:** December 4-8, 1995.

Clearance:

DAA/ENI, Don Pressley DP 11/3/95

DAA/ENI, Barbara Turner BT 11/20/95

## RECOMMENDATION

That you approve the 44 recommendations in this memorandum.

Approved

James A. Ding 11/27/95  
(date)

Disapproved \_\_\_\_\_

(date)

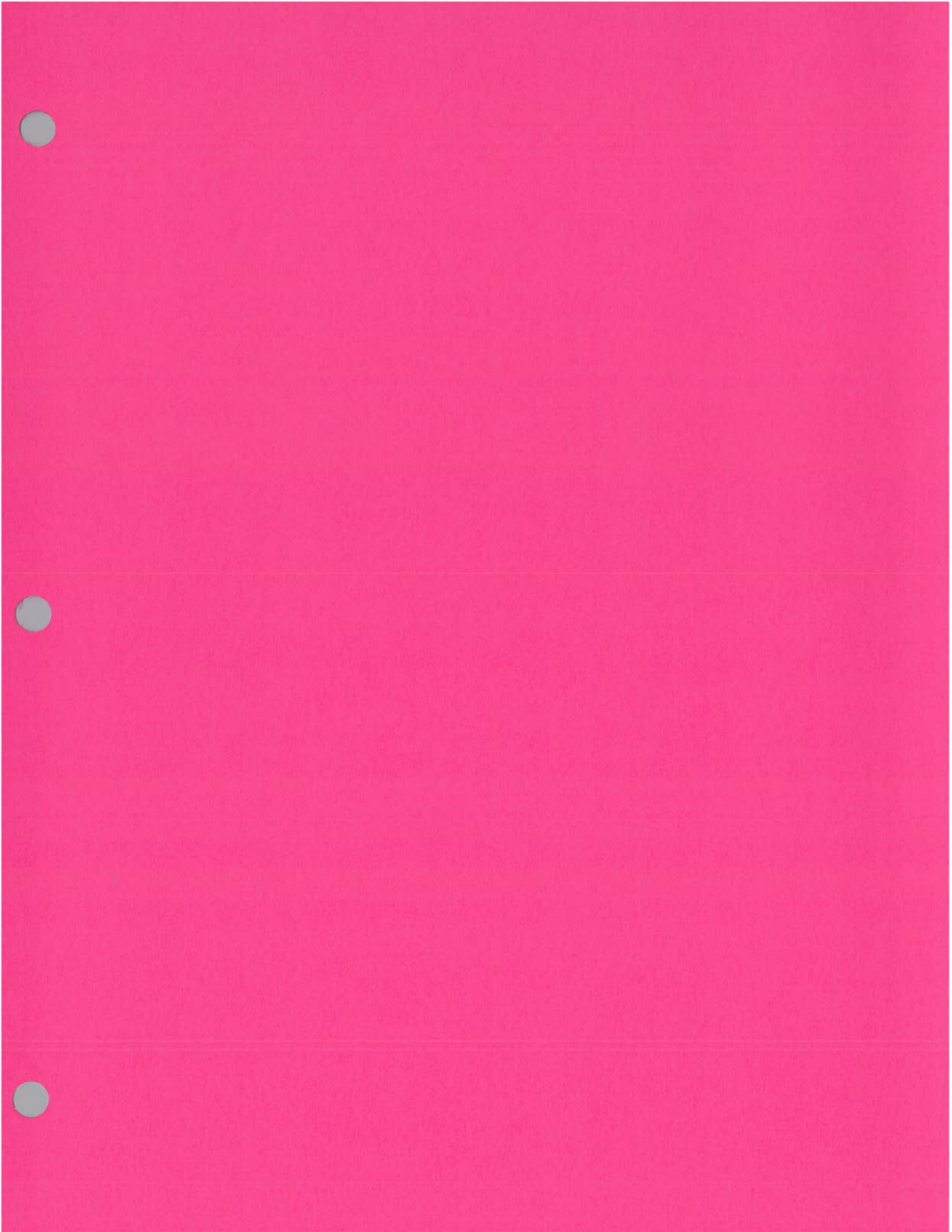
## Attachment

**ENI Reengineering Working Group**Washington Chapter

Chair	Jock Conly
Wise Scribe	Debbie Crane
ENI/PCS	Pat Matheson, Lance Downing, Karen Simpson, Jeff Evans, Catherine Balsis
ENI/PD	Maryanne Walker, Bruce Odell, Leroy Jackson, Dan Westrick, Anna Marie Scott, Dean Alter, Susan Alexander
ENI/FS	Mary Lew
ENI/MS	Penny Hong
ENI/NCA	Jan Mozee, Sherry Grossman
ENI/ECA	Ravi Aulak; Alt: Maria Mamlouk
ENI/ED	Mark Karnes; Alt: Rich Rousseau
ENI/PER	Dan Rathbun; Alt: Richard Burns
ENI/EEUD	Dianne Tsitsos; Alt: Nancy Hooff
ENI/DG	Kevin Kelly
ENI/HR	Dennis Long, Carolyn Coleman, Indee Derrington
Liasons:	
PPC/PC	Bill Schuerch
EUR/EEA	Sherwood McGinnis
S/NIS	Bill Taylor

Field Chapter

USAID/Russia	Brent Schaeffer
USAID/WNIS	Mike Fritz
USAID/CAR	Jonathan Addleton, Ed Birgels
OAR/Caucasus	Fred Winch
OAR/Latvia	Baudouin de Marcken
OAR/Lithuania	John Cloutier
OAR/Estonia	Adrian de Graffenreid
OAR/Poland	Carl Duisberg
OAR/Hungary	Mitzi Likar
OAR/Czech	Bob Posner
OAR/Slovakia	Loren Schulze
OAR/Bulgaria	John Babylon
OAR/Romania	William Carter
OAR/Albania	Denise Herbol
OAR/Slovenia	Mitzi Likar
OAR/Macedonia	Linda Gregory
OAR/Croatia	Chuck Aanenson
OAR/Bosnia	Chuck Aanenson



# BUREAU OPERATING PROCEDURE

*This Operating Procedure serves as guidance for the implementation of the Central and Eastern Europe and New Independent States programs.*

## BUREAU FOR EUROPE AND THE NEW INDEPENDENT STATES (ENI)



**SUBJECT:** ENI Bureau Programming, Monitoring, Reporting, and Evaluation

**PROCEDURE NUMBER:** 300

**DATE:** November 1995

**SUPERSEDES:** N/A

**REFERENCES:** Automatic Directives System Series 200; Bureau Operating Procedure 301

### I. PURPOSE

This Operating Procedure describes the basic programming documentation and sequence of events for setting Bureau and country-level strategies and priorities, establishing budgets, measuring impact, and monitoring, reporting, and evaluating program performance, both on an annual basis and throughout the life of the program.

### II. AUTHORITY

Within the limitations of Agency-wide management directives on USAID program assistance, the Assistant Administrator for Europe and the New Independent States (AA/ENI) establishes policy and procedures and provides guidance on how to plan, budget and assess the progress and impact of assistance activities in the Europe and New Independent States (ENI) region. The Director of the ENI Office of Program Coordination and Strategy (ENI/PCS) is responsible for promulgating, refining and disseminating ENI-specific guidance regarding planning, monitoring, reporting and evaluating program assistance.

### **III. POLICY**

In view of the unique enabling and appropriations legislation establishing the assistance program of the ENI Bureau, notably the SEED Act and the FREEDOM Support Act, as well as the urgency to establish effective economic and political transition programs in Central and Eastern Europe and the New Independent States of the former Soviet Union, ENI Bureau was given exceptional latitude to develop and follow alternatives to traditional USAID programming policies and practices. The result has been a simplified, and primarily centralized, programming structure that has been exceptionally responsive to political and economic developments in the region and to new USG initiatives. ENI program management also has worked under unique parameters in its operating environment, such as program oversight and strategy direction by State Department Coordinators and a climate of exceptional scrutiny by Congress, the media, and affected groups throughout the United States.

As the ENI program has matured and evolved, the programming approach has changed to move from regional sector (or project) strategies to country-based program strategies and notional country budgets, and to greater clarity concerning significant program impact on strategic objectives. Both U.S. and foreign national staff have been increased at the field level, consonant with greater country-program focus and the need to better assess impact.

USAID's programming practices, including those embodied in Agency reengineering, are based on sound management principles emphasizing program impact and results. The ENI Bureau applies these, as relevant and appropriate, to the ENI region. ENI programming principles seek to make expectations, responsibilities, and accountability clear, while maintaining office-level, field post, and individual officer initiative at a high level. The following programming cycle procedures also help ensure uniformity and predictability.

### **IV. PROCEDURES**

#### **A. General**

This section describes the sequence of programming steps required to initiate (or amend) and implement a country-level assistance program and the Bureau program as a whole. The ENI field office, supported by ENI/W offices, is the basic "operating unit"--in formal USAID parlance--responsible for initiating this programming. These steps are a combination of life-of-program (eg. country strategic plan) and annualized (e.g. results review) processes within the overall programming cycle. In the interests of conciseness, some processes may be abstracted from more exhaustive ENI or USAID guidance, which should be consulted as



well. In order to make the annual programming cycle more transparent, general submission, review and approval milestones in the calendar are included, although these are subject to change and to further specificity on dates in subsequent guidance. To the greatest possible extent, these steps and procedures are consistent with requirements of Agency-wide directives on assistance programming. One facet of these procedures is the ENI Monitoring and Reporting System (MRS) which is a software program to be used for reporting progress towards attaining strategic objectives and tracking results associated with them, as well as the assistance activities being implemented. Portions of the MRS may be superseded at some future date by a uniform USAID results tracking system, but details of that system were not set at the time of issuance of this Operating Procedure.

The basic ENI assistance programming sequence described herein is: (a) preparing and approving a country strategic plan, (b) results review and resource request, (c) monitoring program performance for results, (d) budget approval and appropriations processes, and (e) program evaluation. Other Operating Procedures discuss additional program design and implementation steps, such as activity preparation and approval (BOP 301), interspersed throughout the overall ENI programming cycle.

## **B. Country Strategic Plan**

### **1. Timing.**

Country strategic plans are central to the process of focusing and prioritizing the ENI program, and are the first step in the program planning cycle. Field posts, under the direction of the USAID Principal Officer, normally will initiate preparation of country strategic plans, in close collaboration with concerned ENI/Washington offices, with State Department Coordinators, and with development partners and customers. ENI senior management or State Department Coordinators also may call for a new strategy as circumstances warrant. No matter what the source of a call for strategic review, a team approach that transcends organizational and hierarchical boundaries is central to the process.

Field posts may prepare an entirely new, or propose an amendment to an existing, country strategic plan when the operating environment changes materially. Changes in a country's political/economic environment, substantially increased or decreased resources available to USAID, or altered expectations in relative program performance are examples of events that may trigger the decision to prepare a new strategy. Country strategic plans are normally to be submitted with Results Review and Resource Requests in the second or third quarter of the fiscal year. Circumstances may require submission at other times and field posts may do so after prior consultation with ENI/PCS.

USAID management directives anticipate that country strategic plans, including strategic objectives, will remain valid for a period from five to eight years. Due to the

unique legislative goals governing the ENI program, however, ENI country strategic plans should have a three to five year time horizon, or until USAID program phase-out, whichever is sooner.

## 2. Content.

Economic, political, and social transformation are the three goals for ENI country strategies fixed by legislation, and all country strategies must fall within these parameters. Further, country strategies and the strategic objectives ("SOs") to be pursued shall be consistent with the Bureau's Objectives, and must not be articulated to encompass outcomes broader than an ENI Objective.<sup>1</sup> This is important to ensure comparability across bilateral program lines and to build a comprehensive picture of ENI regional results.

As detailed in Agency management directives on planning assistance, the country strategic plan should focus resources on a limited number of strategic objectives considered central to successful CEE or NIS country transition and a coherent USAID program and the results for which are within the manageable interest of USAID in that country. ENI Bureau or global activities operating in-country that have a negligible country-level impact or fall outside these limited strategic objectives, but which are being pursued for other valid reasons, also must be listed in the strategic plan, along with their management implications.

Country strategic plans should be prepared in accordance with the guidance in AID Directive (ADS Chapter) 201. Included are (1) a summary analysis of the assistance environment and rationale for assistance in particular areas, (2) the proposed strategic plan, (3) a results framework, and (4) resource requirements. U.S. foreign policy interests, and the state of economic, political and social transformation should be analyzed, and how customers influenced the strategic plan should be described briefly.

Problem/customer analysis, the SOs chosen, their duration, key assumptions and causal relationships, intermediate results, indicators, and targets for the country program, and other development partner commitments are incorporated in a "results framework". This forms the basis for "results review"--and for periodic reporting under the Bureau's Monitoring and Reporting System (MRS)--on progress toward achieving objectives and meeting targets, discussed in paragraph C below. When prepared, the results frameworks will replace the country specific strategic framework now in place for each country.

The country strategic plan includes an indicative program budget covering the period of the plan (three to five years). This budget includes a brief summary table of resource

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<sup>1</sup> See "ENI Guidance for Development of the Country Strategy Statement", February 1995 (draft), and ENI Strategic Framework for further details on ENI goals and objectives.

allocation by strategic objective year by year, with an accompanying narrative as necessary describing implied changes or phasing in program priorities over time, and staffing and management issues. The indicative budget, approved *inter alia* by the relevant State Department Coordinator, M and PPC Bureaus, and the ENI Assistant Administrator, becomes the initial baseline for program implementation. The indicative budget is the basis for preparation of each bilateral and regional program's budget submission.

### 3. Plan Review and Approval.

A country strategic plan should be submitted to ENI/PCS one month prior to its scheduled review. ENI/PCS is responsible for reproduction and distribution of the document to ENI offices, other USAID bureaus such as Global, Management, BHR, and PPC, and to outside entities including the appropriate State Department Coordinator, and other U.S. Government partners such as the Treasury Department and EPA. The transmittal memorandum includes dates, places and times for (a) the preliminary issues meeting, chaired by the ENI/PCS Director or his/her designee, and (b) the final review meeting, chaired by the ENI Bureau Assistant Administrator or his/her designee.

Approximately two weeks after country strategy receipt, ENI/PCS prepares an issues memorandum/agenda, consolidating observations throughout USAID and concerned agencies. This memorandum is provided to offices/agencies on the original distribution, as well as the relevant field post, at least three (3) days prior to the preliminary issues meeting. Field post representative attendance is encouraged. The relevant country desk officer assists ENI/PCS in recording resolution of issues and points of interest and better defining a limited number of important issues for consideration at the final review meeting.

Participants at the final review meeting consider the issues memorandum and record of resolved issues. Field post representative(s) attendance is expected. Attendance is limited, preferably to Bureau management, office directors, and staff likely to make material input in final decisions. A country strategic plan either may be approved as submitted, approved with the changes agreed to during the review meeting(s), partially approved conditional upon submission of additional documentation as specified during the final review, or disapproved with explanation of issues or deficiencies to be resolved. ENI/PCS, in collaboration with the country desk officer, prepares a reporting cable within one week of the final review meeting summarizing the outcome of the two review meetings, including how issues were resolved. This reporting cable, which also normally will include the results of the R4 review, is authorized by the ENI Assistant Administrator or his/her designee and serves as the Management Contract with the operating unit.

### C. Results Review and Resource Request ("R4")

#### 1. Content and Timing.

Agency directives describe the R4, or results review and resource request, process in detail. Essentially, the R4 intends to link progress towards results to budget allocations, updates resource requirements estimates, refines indicators and targets, revalidates the strategy, and forms a base of information for responding to internal and external inquiries, country and regional results reporting, and Agency impact reporting. It is a "look-back-to-look-forward" exercise, and extensively uses automated data systems. Each ENI operating unit, in most cases field posts or in some instances ENI/W offices, is required to submit an R4.

Agency guidance for the R4 limits data collection and assessment to the strategic and intermediate results levels, consistent with the new focus on managing for results. Because of the exceptional level of outside scrutiny--and inquiries--to which the ENI program is subjected, and a pattern of shared activity management responsibility between field and Washington based technical staff unusual in USAID's other geographic bureaus, the ENI Bureau's R4 review process also includes consideration of the MRS-generated Activity Monitoring Reports (AMRs) which provide data on country activities under grants, contracts, and cooperative agreements ("providers").

The first R4 process, in conjunction with any reviews of strategic plans, establishes, through the subsequent reporting cable, Management Contracts between ENI senior management and ENI's operating units, which subsequently are revalidated or amended in succeeding R4s. The Management Contract, *inter alia*, establishes parameters of the operating unit's program, defines strategic objectives and principal intermediate results, sets resource and time limits (subject to Congressional approval), and records any special conditions regarding program design and management. In that sense, the Management Contract replaces (project) authorizations, ABS approvals, and staffing/FTE controls.

Additionally, ENI Bureau will use the R4, and the Management Contract, to determine how and to what extent strategic objective teams are empowered to design and implement activities, and to review and revalidate previous delegation of authority decisions.

The overall R4 submission is due in ENI/Washington in the spring each year, on a staggered schedule to be set by ENI/PCS. Preferably, R4s are transmitted via Beyond Mail. If hardcopy R4s are required due to lack of Beyond Mail capabilities, the original R4 is submitted to the Director, ENI/PCS and overseas posts also submit a copy of the R4 to the Director of either ENI/ECA or ENI/NCA, as appropriate. In the case of either hardcopy or Beyond Mail submission, the geographic desk forwards the R4 to the ENI/FS, ENI/AMS, and ENI/PD and to ENI technical offices.

## 2. R4 Review and Approval.

ENI/PCS, in close coordination with ENI/PD, ENI/AMS, and ENI's technical and geographic offices, conducts the initial, working level review of the operating unit (usually country) R4 submission. The working level reviews, chaired by the ENI/PCS office director or his/her designee, collect, consolidate, and resolve (when possible) issues and points of concern, and raise issues for the Bureau review. These reviews usually commence in the spring, and are scheduled so as to permit ENI/PCS, technical office, and other interested office participation at the staff level in an orderly manner. Relevant State Department Coordinator, PPC, M, Global, and where appropriate, BHR staff also are invited.

Essential parts of these working level reviews are assessing progress towards the attainment of strategic objectives and intermediate results (ENI/PCS lead), gleaning implementation-based trends and issues of ENI sectoral or regional interest to ENI (ENI/PD and technical office lead), and reviewing mission/field post staffing and OE requirements (ENI/AMS and ENI/FS lead). Depending upon the nature of the material, these reviews are organized on a country-by-country basis or on a program objective basis during the course of the R4 review cycle.

A final, ENI Bureau R4 review for each operating unit program is chaired by the ENI Assistant Administrator or his/her designee. Attendance is limited to key ENI management and staff, the relevant State Department Coordinator, and representatives from M, PPC, and G. ENI/PCS prepares the issues memorandum for this wrap-up meeting, based upon issues and special interest items developed from the first, working level meeting. In particular, ENI/PCS frames issues related especially to program impact as it relates to the resource request.

Field post representatives are invited to attend the working level R4 review and expected to participate in the wrap-up R4 review.

An official reporting cable, which will form the Management Contract between the operating unit and ENI senior management, is prepared by the geographic office in collaboration with ENI/PCS. The cable records highlights of discussion and decisions reached and guidance given at both R4 meetings, and should be finally approved and transmitted within 21 days. All reporting cables/Management Contracts are subject to refinement and amendment following the ENI Bureau's submission and approval of a consolidated, Bureau-level R4 at the Agency level, which includes PPC, M, G, and BHR review. The ENI Bureau R4 review and approval exercise is expected to be completed by June 15, and forms the basis for later presentation of the ENI budget to OMB.

### 3. Monitoring and Reporting System.

ENI's Monitoring and Reporting System (MRS) tracks actual performance in managing activities (e.g. grants and contracts), meeting intermediate targets, and achieving strategic objectives. MRS is the automated tool for collecting and transmitting basic data for the "results review" part of the R4 process. Individual country programs, with their concomitant objectives, intermediate results, and activities, are the parameters for the MRS, which also is capable of aggregating data across country programs for broader ENI and external analysis and reporting. The MRS is the main automated tracking tool for ENI and, if initiated and maintained properly by its users, will replace much of the Bureau's *ad hoc* reporting on program status and successes. It is anticipated that at least some features of the Agency's new corporate database and integrated software applications, known collectively as the New Management Systems or NMS, will supersede elements of the MRS in time.

The MRS works through a reporting hierarchy and requires periodic reports of progress towards objectives, results tracking, and activity monitoring. Country level strategic objective reports are reviewed annually in Washington as part of the R4 process and utilize data on progress towards achievement of results through indicators and measures (targets) selected by each field post/SO team, as shown in results frameworks. Provider activities are increasingly being associated with specific results, and will be reviewed (in activity monitoring reviews (AMRs)) annually in ENI/W in conjunction with the preparation of ENI Bureau procurement plans and the Congressional Presentation, and as a lead-in to upcoming R4 reviews. AMRs also are reviewed one other time over the course of the implementation year by strategic objective teams to determine whether planned outcomes are being achieved. Managers tracking results draw on these AMRs to help form conclusions concerning achievement, progress, or the need for adjusting results, indicators, or measures, or the activity mix associated with them.

#### a. Strategic Objective Reports.

Strategic objective reports are a key method for making, or reappraising, future regional and country program decisions, and are intended to assess and report on the status of operating unit strategic objective accomplishments or progress made toward them.

Strategic objective reports follow a standard input format, previously distributed. This format is contained in the MRS as installed at each post and can be accessed through Beyond Mail. Detailed instructions for completing strategic objective reports are contained in the MRS user guide.

The MRS strategic objective report screen has four questions and corresponding data entry boxes. Posts/offices are asked to characterize progress to date towards meeting the strategic objective (in both multiple choice and narrative forms), to state what are USAID's

significant contributions to this objective, and to recommend what needs to be done to increase the likelihood that the objective will be achieved.

Strategic objective reports can be saved in draft mode so that they can be shared with other post or office staff and management, or edited and cleared before entry into the local and ENI/W databases. Objective reports can also be filed in draft folders created in Beyond Mail for future reporting where it may only be necessary to change some of the earlier text depending on progress accomplished by the end of the next reporting period. Detailed instructions on how to use the form are included in the MRS user guide that has been provided to all posts. The format for a hypothetical strategic objective report has been distributed electronically to ENI posts and offices.

Every strategic objective agreed pursuant to the R4 review (initially, those proposed for the first R4 review) will be reported to ENI/W each year, using the automated database and software provided to each post and office. The annual strategic objective reports are due in ENI/W as part of the R4 report. Data in these reports must be current as of the second quarter (January 1-March 31) of the fiscal year.

Each ENI field post is responsible for scheduling reviews of performance against its strategic objectives and establishing clearances and administrative oversight to ensure that reports entered into the MRS database are complete and accurately reflect the official view of the USAID Principal Officer at post.

By sending, via Beyond Mail, completed strategic objective reports to ENI/W, the information contained therein is automatically included in the local (post) MRS database and the ENI central database in Washington. ENI/PD is responsible for ensuring that all reports are received by the due dates, for following up on missing reports, and for maintaining the database so that it reflects current or revised objectives as well as those that have been achieved. All strategic objective reports, past and present, are stored in the MRS database in ENI central database for all countries; individual country reports are stored in the local database. Detailed instructions for the use of the MRS report generator are contained in the MRS user guide.

#### b. Results Tracking.

Results tracking provides a means for assessing how well country level results at all programming levels, as expressed in the results framework, are being achieved. Results tracking is an important tool in preparing annual MRS strategic objective reports. It can provide a major source of data for the Congressional Presentation, SEED and FREEDOM Support Act reporting, and procurement planning exercises, and as a Beyond Mail-accessible database provides an important current source of information on performance for all levels of program management--from the SO team to the Assistant Administrator.

While results tracking especially is an SO team or results package team activity and responsibility, post and ENI management at the office and senior level also are important clients for this data. As a direct outcome of the results framework preparation process now underway throughout ENI, strategic objective level indicators and measures and the most significant intermediate results will be included in Management Contracts, and progress evaluated annually during the R4 exercise. Automated results tracking and reporting will be required after completion of the results frameworks and the 1996 R4 exercise.

A standard format for MRS results tracking is being distributed separately. The results tracking screen has three questions and corresponding data entry boxes. Teams/posts using the system note progress to date towards meeting the target (in both multiple choice and narrative forms) and state what should be done to increase the likelihood that the target will be achieved. Detailed instructions on how to access and complete MRS results tracking screens (formerly known as MRS Target Report screens) are contained in the MRS user guide.

Beyond Mail-based MRS results tracking can be saved in draft mode so that data can be shared with post management/staff or the SO team, edited, and cleared for inclusion in the ENI database. MRS results tracking screens can also be filed in folders created in Beyond Mail for future reporting where it may only be necessary to change some of the original text depending on whether the target has been achieved or the amount of progress accomplished at the end of the next reporting period. Detailed data entry, storage, retrieval and edit instructions are included in the MRS users guide.

Depending upon assessment of its utility and compatibility with ENI program monitoring needs, the NMS-based Results Tracking System may be substituted for Beyond Mail-based MRS results tracking at a later date. Every effort will be made to ensure that data/narratives entered into the MRS database is transferrable to the NMS database.

#### c. Activity Monitoring Reports.

The Activity Monitoring Reports (AMRs) are an important tool for team members--be they at the strategic objective or results package levels--and ENI management at all levels to remain informed on provider performance in the field. Every ENI post or office reports on each activity (grant, contract, or cooperative agreement, collectively referred to as providers) once a year on November 15.<sup>2</sup> This submission of the AMRs--several months in advance of the bulk of the R4 submission--permits input to operational year procurement planning, the

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<sup>2</sup>Teams and posts will be expected to conduct internal AMR reviews one other time over the course of each year of implementation. This will ensure up-to-date data for whatever field and ENI/W *ad hoc* purposes that arise.



Congressional Presentation, and SEED/FREEDOM Support Act reports to Congress, and provides a basis for ENI/Washington technical offices to assess program objective-wide trends well in advance of the country R4 submissions. November AMRs reflect full reviews conducted by the implementation team and validated by post/office management anytime during the four month period July 1 to October 31. Each ENI post and office is responsible for establishing clearances and administrative oversight to ensure that activity monitoring reports entered into the MRS database are complete and accurately reflect the official view of the USAID Principal Officer at post or ENI technical office director, as relevant.

#### **D. Agency and OMB Budget Reviews**

Upon completion of the resource request component of the annual R4 process, ENI Bureau prepares and submits a Bureau Budget Submission (BBS) for Agency review. The BBS explains and defends the allocation of resources among ENI countries/strategic objectives and regional programs/strategic supporting objectives. ENI/PCS drafts the BBS for ENI technical office and ENI/PD review and comment and, then, ENI senior management review and approval. State Department Coordinator(s) input is solicited as well. The draft BBS is accompanied by a brief issues paper highlighting concerns arising out of the R4 reviews or other emerging budgetary trends, conflicts, and trade-offs. The BBS and accompanying issues paper form the basis for discussion at the inter-office level and decision by Bureau senior management of the final budget proposal. This process should be completed by the end of June, and the completed ENI BBS forwarded to M and PPC. Barring special questions posed in subsequent Agency and OMB reviews, no further field input is required in the budgeting cycle until the Congressional Presentation (CP) (for FY +2) or the Operating Year Budget (OYB) (for FY +1).

ENI's Bureau Budget Submission is reviewed in an interactive process by M and PPC, and A/AID, continuing through the summer and into early fall. The ENI BBS is consolidated into a USAID budget submission to the Office of Management and Budget. During the fall, ENI/PCS prepares a briefing book on results/resource/budget issues for AA/ENI use in OMB budget hearings. Field and technical office input is solicited on an as-needed basis. OMB's pass back of budget controls is anticipated in late fall.

#### **E. Congressional Presentation/ Special Reports and the Appropriations Process**

With OMB's instruction on the Administration's proposed budget for USAID and ENI, ENI geographic offices (desks) begin drafting the annual Congressional Presentation in November-December, under ENI/PCS coordination. The CP is the key budget document for defending the FY+1 request before Congress. Geographic offices solicit field clearance of CP drafts, and may request initial drafting of certain CP sections (such as project or SO narratives) by either the posts or by ENI/W technical offices.

Additionally, as a requirement unique to ENI, annual SEED and FREEDOM Support Act Reports to Congress are prepared in this same time frame. The content and format of these reports is presently under discussion with State Department Coordinators.

Barring delayed Congressional appropriation of current (operating) year budgets or other factors, the CP is usually completed and forwarded in January.

During the second and third quarters of the FY, the authorization and appropriation committees of the House and Senate conduct public hearings and mark-up sessions preparing new foreign assistance legislation, and committee and floor votes occur through the summer into the fall. Over this period, ENI/PCS and the geographic desks in particular are called upon to respond to the Legislative and Public Affairs Bureau Bureau (LPA) and AA/ENI, with briefing input from the field and technical offices as required.

#### F. Operational Year Budget

The conclusion of the budget cycle, which begins with the R4 of two years' earlier, is the Operational Year Budget (OYB). ENI/PCS prepares the initial draft OYB based upon the just-concluded appropriations process, augmented by the resource needs stated in the latest R4 and other emerging budgetary imperatives. Active field post and technical office involvement is expected in OYB preparation. The OYB can be prepared and approved as early as the first quarter of the fiscal year or in the second quarter. The OYB serves as the final check that Agency and special ENI goals are being served, that activities of greatest need and merit are being adequately funded, and that competing strategic interests have been balanced. Under the managing-for-results precepts of Agency reengineering, the OYB is allocated on a strategic objective (SO) basis.

#### G. Evaluation

Evaluations play an important role in determining how and why results are or are not being achieved, and the information available from evaluative activities, along with operating unit reports of progress towards achieving results, informs the resource allocation decision-making process. Evaluation in ENI will follow the guidance in ADS chapter 203: Monitoring and Evaluating Performance, except as noted below.

ADS chapter 203 places primary responsibility for determining when an evaluation is needed, how it will be carried out, and for consideration of the results of evaluations on the operating units strategic objective teams. In addition, the directive notes that USAID/W review of evaluations is not required, and that while evaluation materials should be shared widely with customers, partners, other donors, and stakeholders, the only requirement for submission to USAID/W of evaluative materials is that a copy be sent electronically to PPC/CDIE.

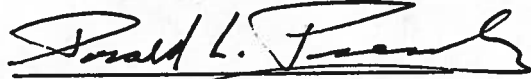
Because of the unique structure of ENI, including what will be a large representation on SO teams by ENI/W virtual team members, the limited number of staff in most field posts, the fact that the ENI program has a regional as well as a country-specific focus, the fact that program objectives are common across the Bureau, and the intense interest of stakeholders in AID's assistance program to ENI countries, the following additional guidance is provided for ENI's evaluation program.

1. There will be periodic evaluations of progress towards meeting ENI's program objectives across groups of countries. Each such evaluation primarily will be directed at one objective, but may at times assess progress towards interrelated objectives. The need for such evaluations will be determined by ENI/PCS based on consultations with technical offices, field posts, bureau management, and relevant stakeholders. ENI/PCS will be responsible for planning, procuring, coordinating, and arranging for the review of the results of such evaluations; however, technical office and field input into this process is essential and required. Funding for such evaluations will come from funds allotted in the Bureau for the strategic objective(s) to be evaluated. In planning such evaluations, ENI/PCS will consult with PPC/CDIE to avoid overlap with evaluations planned by CDIE. ENI/PCS will maintain a tracking system for status and follow-up on evaluations conducted under its responsibility.

2. Copies of each evaluation performed in ENI, accompanied by documentation highlighting important findings, conclusions, recommendations, and planned action as a result of such recommendations will be electronically transmitted to ENI/PCS/PAC as well as the relevant ENI/W technical offices and overseas posts having oversight responsibilities in the same program content area. This information will form part of the resources used to respond to questions raised about ENI programs and will be made available for consideration as part of the R4 process and the process of preparing the Bureau's implementation work plan.

3. To the extent resources permit, ENI/PCS/PAC will assist operating unit strategic objective teams to carry out evaluations of progress toward achieving strategic objectives.

4. Annually, ENI/PCS/PAC will survey ENI's operating units to determine the need for evaluations and requests for ENI/PCS/PAC assistance in performing those evaluations and will develop a corresponding evaluation program for the subsequent 12 month period. Operating units will be informed of this program and will also be advised when ENI/PCS/PAC resources are insufficient to respond to all requests for assistance. Funding for evaluations of progress towards results and strategic objectives in a single country will come from funds approved for work toward that strategic objective in that country. Evaluations of individual activities (contracts, grants, etc.) are the responsibility of the SO team. SO teams, through the appropriate post principal officer or office director, include their evaluation plans annually in the R4 submission, for informational purposes.



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Thomas A. Dine,  
Assistant Administrator,  
Bureau for Europe and the  
New Independent States

11/28/95  
Date

11/95

U.S. Agency for International Development

REFORM GLOSSARY (as of 10/13/95)

(Definitions)

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**Acquisition and Assistance  
Business Area**

Reengineering of all facets of procurement and grants. Any action that affects or is undertaken by a contract officer and/or the Office of Procurement is included in this business area.

**Activity**

An action undertaken either to help achieve a program result or set of results, or to support the functioning of the Agency or one of its operating units.

**Agency Goal**

A long-term development result in a specific strategic sector to which USAID programs contribute. There are currently five Agency goals.

**Agency Mission**

The ultimate purpose of the Agency's programs; it is the unique contribution of USAID to our national interests. There is one Agency mission.

**Agency Objective**

A significant development result that USAID contributes to, and which contributes to the achievement of an Agency goal. Several Agency objectives contribute to each goal. Changes in objectives are typically observable only every few years.

**Automated Directives System (ADS)**

The reengineered Agency Directives System. This is an automated directives system that replaces the paper handbook directives format. In the new format, directives are distinctly separated into a two-tier system of policy and essential procedures. Other relevant information is located in a "Supplementary Reference" section.

**Authority**

The right and power to command, enforce, determine or influence. A person or group invested with this right and power.

**AWACS**

USAID's Worldwide Accounting and Control System (AWACS). This new system includes all facets of the bookkeeping of the Agency's transactions, including grants, loans, accounts payable, payment vouchers, etc.

**Benchmarking**

A process for determining progress against a given target and indicator. A point of reference from which measurements can be made. It is any standard against which products or services can be compared.

**Budget Business Area Analysis**

An analysis of USAID's budget functions and a blueprint for its improvement.

**Business Area Analysis (BAA)**

The term used to describe the process of analyzing how a particular system (e.g., accounting, budget or procurement) actually functions and accomplishes its business. The process breaks down the work and flow of communications of a system into a detailed description of specific and separate data elements (referred to as entity types) and activities (business processes).

**Business Systems Design (BSD)**

A process of taking the analytical work completed for a particular business process and designing the software for the system.

**Causal Relationship**

A plausible cause and effect linkage, i.e., where development experts agree that a result is achieved because related, interdependent results were achieved.

**Communications Business Area**

The term used to describe the process of analyzing the handling of all Agency external communications, including those with USAID's customers, partners and stakeholders.

**Core Team**

U.S. government employees and others who may be authorized to carry out inherently U.S. government functions such as procurement actions or obligations. For example, only the core team would manage procurement sensitive materials or negotiate formal agreements.

<b>Customer</b>	An individual or organization that receives USAID services or products, benefits from USAID programs or is affected by USAID actions.
<b>Customer (Intermediate)</b>	A person or organization, internal or external to USAID, that uses USAID services, products, or resources to serve indirectly or directly the needs of the ultimate customers.
<b>Customer (Ultimate)</b>	Host country people who are end users or beneficiaries of USAID assistance and whose participation is essential to achieving sustainable development results.
<b>Customer Satisfaction</b>	Providing quality products and services that meet customer expectations.
<b>Customer Service Plan</b>	A document that presents the operating unit's vision for including customers and partners in designing programs to achieve its objectives; articulates the actions necessary to engage participation of its customers and partners in planning, implementing and evaluating USAID programs and objectives; and indicates performance standards for delivery of services.
<b>Customer Service Standards</b>	Measureable performance indicators that describe what services/products customers can expect and how they will be treated.
<b>Customer Surveys</b>	Surveys (or other strategies) designed to elicit information about the needs, preferences, or reactions of customers regarding an existing or planned activity, result, or strategic objective.
<b>Expanded Team</b>	U.S. government employees, partners, and customer representatives committed to achieving the strategic objective.
<b>Human Resources Business Area</b>	This business area integrates the personnel and payroll systems for the Agency's three distinctly different workforces--U.S. direct hire, Foreign Service Nationals and personal services contractors.

**Learning Organization**

An organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights.

**Managing for Results**

Focusing of individual, team, or organizational efforts on achieving planned results via systematic work processes.

**National Performance Review (NPR)**

A review of the federal government for the purpose of "moving from red tape to results" to create a government that works better and costs less in rendering services to its customers. Recommendations are identified for a radical change in the way the government operates. The NPR focuses on "how the government should work, not on what it does." ✓

**New Management Systems (NMS)**

The set of management software developed to support Agency functions in the areas of accounting, budgeting, planning, achieving, performance monitoring and evaluation, assistance and acquisition, human resource management, and property management. 2 :

**Operating Unit**

USAID field mission or USAID/W office or higher-level organizational unit that expends program funds to achieve a strategic objective, strategic support objective, or special objective.

**Operating Unit Goal**

A higher-level development result to which an operating unit contributes, but which lies beyond the unit's level of responsibility. It is a longer-term development result that represents the reason for achieving one or more objectives in an operating unit's strategic plan. It represents the long-term result in a specific country or program to which an operating unit's programs contribute, and may cross sector boundaries.

**Participation**

The active engagement of USAID staff, partners, and customers in sharing ideas, committing time and resources, making decisions, and taking action to bring about a commonly desired development objective.

**Partner**

An organization or customer representative with whom we work cooperatively to achieve mutually agreed upon objectives and to secure



customer participation. Partners include private voluntary organizations, indigenous and international non-governmental organizations, universities, other USG agencies, U.N. and other multilateral organizations, private businesses, and host country governments at all levels.

**Partnership**

An association between USAID and its partners and customers based upon mutual respect, complementary strengths, and shared commitment to achieve mutually agreed upon objectives.

**Performance Agreement**

A document that describes specific results for which the partner will be accountable, and whose achievement may trigger the disbursement of USAID funds.

**Performance Indicator**

A particular characteristic or dimension used to measure intended changes defined by an organizational unit's results framework.

**Performance Target**

The specific and intended result to be achieved within an explicit time frame and against which actual results are compared and assessed. A performance target is to be defined for each performance indicator.

**Property Management Business Area**

The area that analyzes the overall management of the Agency's expendable and real property. This includes such functions as inventory, motor pool management, and property planning and management.

**Reengineering**

The radical redesign of business processes, jobs, structures, and controls to achieve dramatic performance improvements in cost, quality, customer service, and efficiency. THIS TERM IS USED INTERCHANGEABLY WITH THE TERM REINVENTION.

Comment: The Agency used this approach to develop its new business systems for delivering developmental assistance. As part of the President's initiative for reinventing (reengineering) government, the Agency is a "reinvention laboratory."

<b>Reform</b>	Radical changes in management and business systems and practices.
<b>Reinvention</b>	See Reengineering.
<b>Result</b>	A change in the condition of customers or host country in relationship to the customer.
<b>Results Framework</b>	A narrative statement or graphical representation of the development hypotheses indicating the results and their causal relationships and underlying assumptions necessary for achieving a strategic objective. The framework also establishes an organizing basis for measuring, analyzing, and reporting on the results attendant to achieving the strategic objective.
<b>Results Package</b>	Consists of people, funding, authorities, activities, and associated documentation required to achieve a specified result(s) within an established time frame.
<b>Results Review and Resource Request</b>	The document that is reviewed internally and submitted to USAID/W by the operating unit on an annual basis. It contains two components: the results review and the resource request.
<b>Special Objective</b>	The result of an activity or activities that does not qualify as a strategic objective, but supports other U.S. government assistance objectives. It is expected to be small in scope relative to the portfolio as a whole.
<b>Stakeholder</b>	Individuals and/or groups that have an interest in and influence USAID activities, programs and objectives.
<b>Strategic Objective</b>	The most ambitious result (intended measurable change) that a USAID operating unit, along with its partners, can materially affect and for which it is willing to be held responsible. It forms the standard by which the operating unit is willing to be judged in terms of its performance.
<b>Strategic Plan</b>	The framework that an operating unit uses to articulate the organization's priorities, to manage for results, and to tie the organization's results to the customer/beneficiary. It is a

comprehensive plan that defines the strategic objectives and describes how it plans to deploy resources to accomplish them. It is prepared for each portfolio whether it is managed at a country level, regionally, or centrally.

**Strategic Support Objective**

An objective intended to capture and measure a regional or global development objective whose achievement depends, in part, on activities and results at the field mission level.

**Strategic Objective Team**

A group of people who are committed to achieving a specific objective and are willing to be held accountable for the results necessary to achieve that objective. This team may establish subsidiary teams for a subset of results or to manage a results package.

**Team**

A group of people committed to a common performance goal for which they hold themselves individually and collectively accountable. They may include USAID employees, partners, stakeholders, and customer representatives.

**Teamwork**

The process whereby a group of people work together (often by dividing tasks among members based on relative skills) to reach a common goal, solve a particular problem, or achieve a certain set of results.

**Total Quality Management**

A way of managing an organization at all levels to achieve customer satisfaction by involving employees, suppliers, and customers in continuously improving the work processes of the organization.

**Value Engineering**

A management technique using a systematized approach to seek out the best functional balance between the cost, reliability, and performance of an activity or process, with a particular focus on identifying and eliminating unnecessary costs. It can be used in the design stage and as an evaluation tool.

**Virtual Team**

Members of a team who are not co-located and therefore participate primarily through telecommunication systems.

**Vision**

**A statement expressing the future state of an organization or unit, or what it strives to achieve.**

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## ANNEX D

### DEFINITIONS OF KEY TERMS

10/95

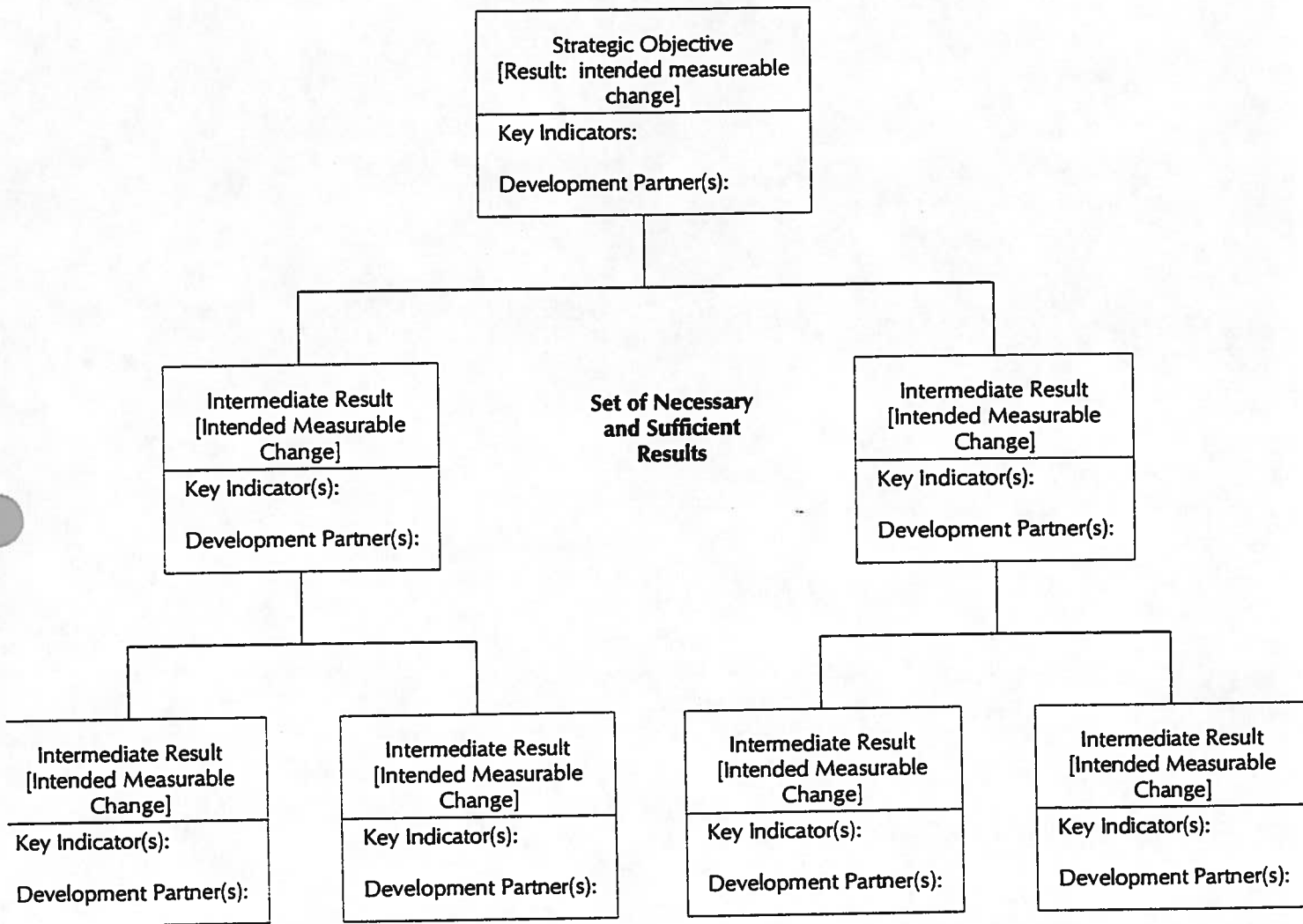
The following provides definitions of some key concepts related to the develop of Results Frameworks and ways of expressing them,. The definitions draw from both the Directives (as identified between “ ”) and experience (i.e., wording we have found the most understandable as we have communicated concepts to Bureau and Mission staff.

- Hypothesis--a testable statement; tentative explanation that accounts for the set of facts that can be tested through further investigation
- Strategic Objective--“The most ambitious result (intended measurable change) that a USAID operational unit, along with its partners, can materially affect and for which it is willing to be held responsible. The strategic objective forms the standard by which the operational unit is willing to be judged in terms of its performance. The time-frame of a strategic objective is typically 5-8 years for sustainable development programs, but may be shorter for programs operating under short term transitional circumstances or under conditions of uncertainty.” A strategic objective is a higher result when a related, interdependent set of lower level results are achieved.
- Result--“A change in the condition of a customer or a change in the host country condition which has a relationship to the customer. A result is brought about by the intervention of USAID in concert with its development partners. Results are linked by causal relationships, i.e. a result is achieved because related, interdependent result(s) were achieved. Strategic objectives are the highest level result for which an operating unit is held accountable; intermediate results are those results which contribute to the achievement of a strategic objective.” A result is an intended measurable change (of a condition, an outcome, or a product of a process); needs to be thought of in terms of an end state (e.g., established) rather than as a process (e.g., to establish)
- Indicator--“A particular characteristic or dimension used to measure intended changes defined by an organizational unit’s results framework. Indicators serve to answer “how” or “whether” rather than “why”/“why not” such progress is being made. Indicators should be objective, quantifiable, and measurable (e.g., numeric values, percentages, scores, indices).
- Target--“The specific and intended result to be achieved within an explicit time frame and against which actual results are compared and assessed.” Each indicator must have a target with a specific time frame.

# ANNEX E Strategic Objective Schematic

AGENCY GOAL

BUREAU STRATEGIC  
ASSISTANCE AREA



**Set of Results—What are the necessary and sufficient changes/results to get to the next "higher" level? How do you achieve the "higher" level? What do you have to get right?**

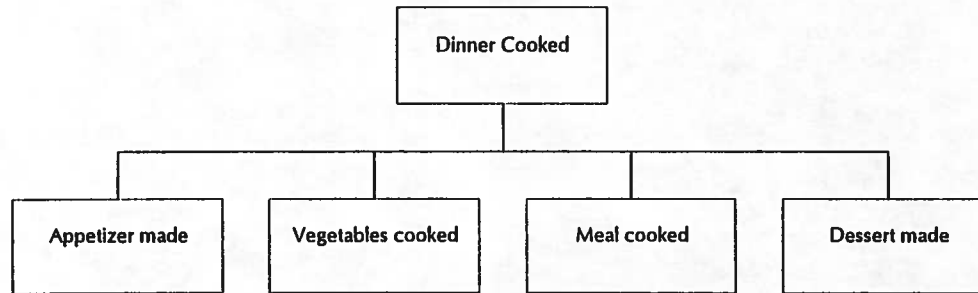
**Causal relationships between results need not always be hierarchical (although only hierarchical relationships are depicted in this schematic), i.e., an intermediate result on one "level" can contribute to the achievement of an intermediate result on the same "level"**

**Sets of Operations/Activities/Results Packages (?)**

## ANNEX F

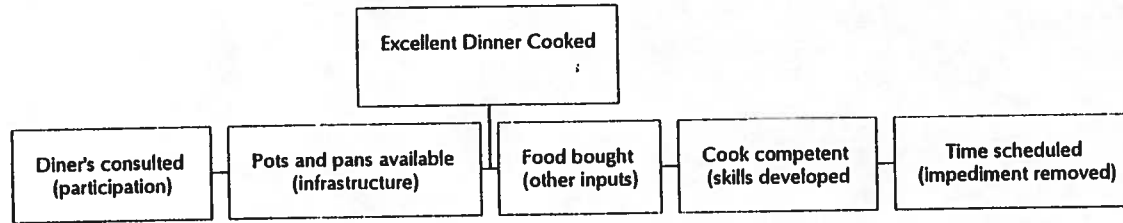
### Results Framework Categorical and Causal Examples

#### SAMPLE CATEGORICAL SET OF INTERMEDIATE RESULTS



## ANNEX F2

### SAMPLE CAUSAL SET OF INTERMEDIATE RESULTS





## ANNEX G

The following provides some drafts examples of results frameworks produced in Kazakstan, Poland and Bulgaria during the course of the ENI Pilot Exercise in Results Framework development between August 10 and October 16, 1995. These examples are used to explain a number of lessons learned about the methodology of developing results frameworks. The graphic representations are draft documents that are supplemented in this annex with descriptions of some selected methodological issues that are useful in informing the RF development process.

### SO 1.5--Kazakstan, Poland, Bulgaria

1) These illustrate:

- how teams around an SO with similar economics education and a lot of experience in financial markets can take the same wording for a very straightforward and technical SO and come up with significantly different causal links and emphases.

2) The highest level intermediate results (IRs) show the transition hypotheses: if the IRs are different, the hypotheses are different

In KAZAKSTAN: if you get right:

- the set of laws, regulations, policies for all the systems' pieces
  - confidence-worthy financial institutions and instruments
  - understanding of the new systems from important users and policy makers
- then you get the SO result

In POLAND: If you have:

- confidence of both users and participants in the financial sector's protections
- efficiency in market operations
- available financial services and products

then you get the SO result

In BULGARIA: see SO 1.5 as part of the necessary conditions for achieving 1.3 so what they want from work on the financial sector, which they are just beginning to explore, is an IR on more availability of finance.

3) Why are their Hypotheses different? Among other reasons,

- the countries are at different stages of implementation
- there are different structural issues in the countries
- financial markets SO receives different levels of emphasis in the Mission strategies.

4) The draft RFs reflect different amounts of time the team were able to spend working with SO teams and illustrate two important methodological points:

- Poland - shows the solution the team devised for all the SOs that have legal and regulatory framework as an underlying IR (reflected by dotted lines to all IR stems
- Kazakstan - shows 2 categorical/definitional breakouts--one is legitimate, one is not. In the middle stem the different roles of market participants and supervisory agencies are expressed, and the complex stem reflects the returns of capacity building as a causal link - this is legitimate. In the third stem, however, the lower IRs constitute definitional or categorical components of the higher IR. They answer the question "who needs to understand what", rather than a causal question, therefore this stem does not reflect causal linkages.

#### SO 2.1--Bulgaria

Some specific methodological issues:

- 1) The mission had/has 4 strategic objectives (1.2, 1.3, 2.3, and 2.4) when the team arrived
- 2) The RF for SO 2.1 illustrates how the Bureau's old SOs 2.1 (political processes), 2.4 (civil society), and 2.5 (independent media) have been collapsed under a newly worded SO 2.1--"Popular participation in political and economic decision making increased".
- 3) The original focus was on 2.4 which was part of the mission strategy. We experimented with it, since similar wording had been proposed by participants in a meeting held in the Bureau immediately preceding the Bulgaria trip.
- 4) It suggests the value of considering what might make up a coherent set of results as compared to narrowing down a portfolio just to have fewer strategic objectives. The team had very positive exchanges with the mission on this SO which emphasizes the need to focus on the coherence of the program during the RF development process.

Some selected substantive issues:

- 5) Mission staff proposed the following as the way of representing the message of the RF in this current iteration. The first branch under the newly worded SO reflects opportunities to provide "information"; the second branch reflects opportunities to provide "voice" to the public via NGOs; the third branch reflects opportunities to demonstrate "political will" as the public sector involves its citizens by actively seeking their input in decision making.
- 6) Mission staff actually discussed the possibility of including ethnic minorities in a

separate branch, but they believe they can address concerns related to these groups by tracking progress through indicators that are disaggregated in a variety of ways.

Some selected methodological issues related to the democracy area:

7) Most of what happens in the democracy area is very long term so there is some difficulty in finding relatively short term results that are consistent with the time frame of much of what is going on in the ENI Bureau and that are necessary and sufficient (and appropriate) to achieving the SO during the time frame given.

8) It is often difficult to see national level impact in the democracy area. It is easier to see impacts on separate or groups of NGOs for example. Therefore, it may be difficult to see contributions related to the SO.

9) Many indicators in the democracy area require survey methods. The results of surveys can be very useful if they are well constructed and the results carefully analyzed. However, high quality surveys are difficult to develop, they are expensive to conduct, and they often require proxy indicators. The lesson is that they are doable, but they are difficult.

#### Strategic Assistance Area 3 and Kazakstan SO 3.2

1) The team does not have as complete a set of examples in the SAA 3 area as we would like, but there are some contextual issues that are interesting to point out.

a) In Bulgaria, the team experimented with a more limited SO statement: "Fiscal sustainability of employment-based social benefits and services is improved". This actually may end up standing alone if its programmatic coherence holds. Or, it might be able to be moved as one categorical/definitional branch that has causal relationships under the broader wording of SO 3.2 (or a variation of the broader wording as the work to revise the SOs continues in ENI).

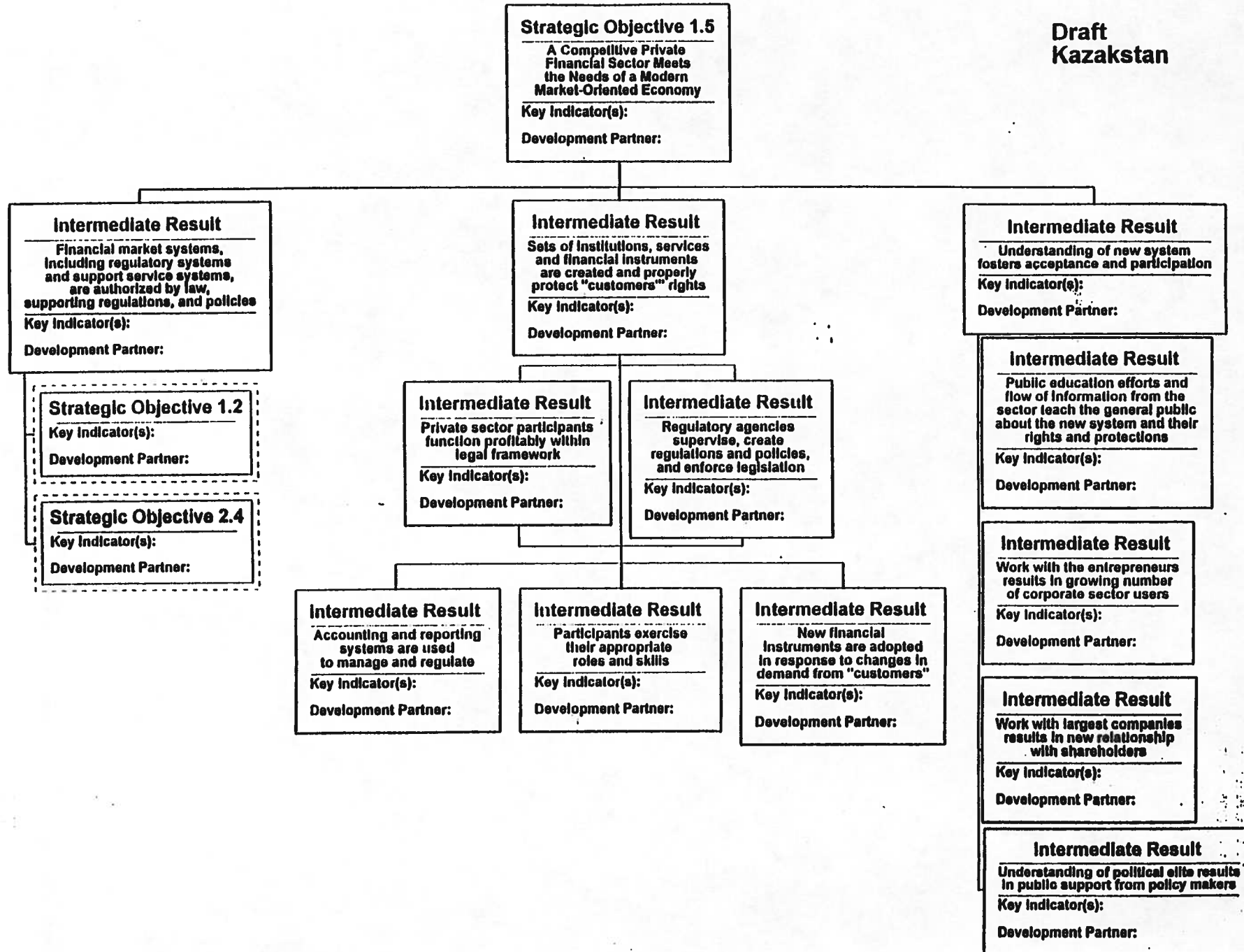
b) In Poland, pressure from the ambassador and mission director ended up dropping the social sector as one of its strategic objectives. There are some substantive issues related to this (e.g., who is dealing with social safety net issues). However, it is important to note that parts of it were broken up and put in appropriate places under the mission's new set of only 3 SOs or under special initiatives.

c) Kazakstan's SO 3.2 is really just a first cut. It illustrates some very preliminary ideas as the director of the Office of Social Transition is beginning to brainstorm the potential breadth and depth of the program in Kazakstan and potentially in other Central Asian countries with a USAID presence. There was no time to complete even an adequate first draft (bomb drills, etc. interfered). The office director, however, began to feel the potential power of the RF as a planning tool.

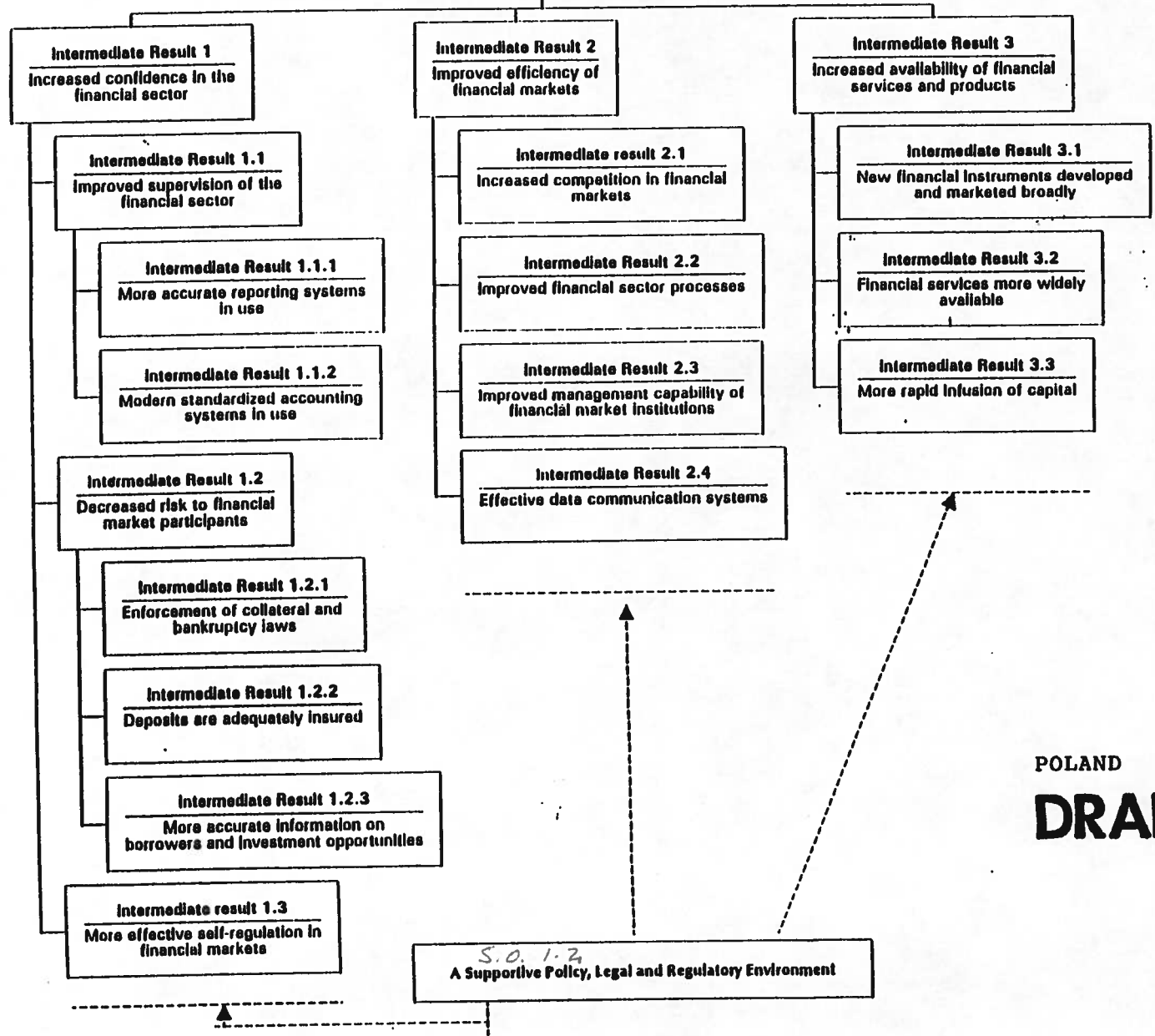
2. There are many important challenges in this area. A major opportunity for

exploration of strategic aspects of the SOs under SAA 3 exist as ENI continues to move through the process of strategic planning and development of results frameworks.

3. One aspect of SO 3.2 and quite a few other results frameworks, such as 2.3 (dealing with local government) have pilot activities. They have shown up on some of the preliminary drafts of results frameworks. However, it is important to remember that these are means or operational level activities that achieve results, and it is those results, not the demonstrations or pilot programs, that should show up in RFs.



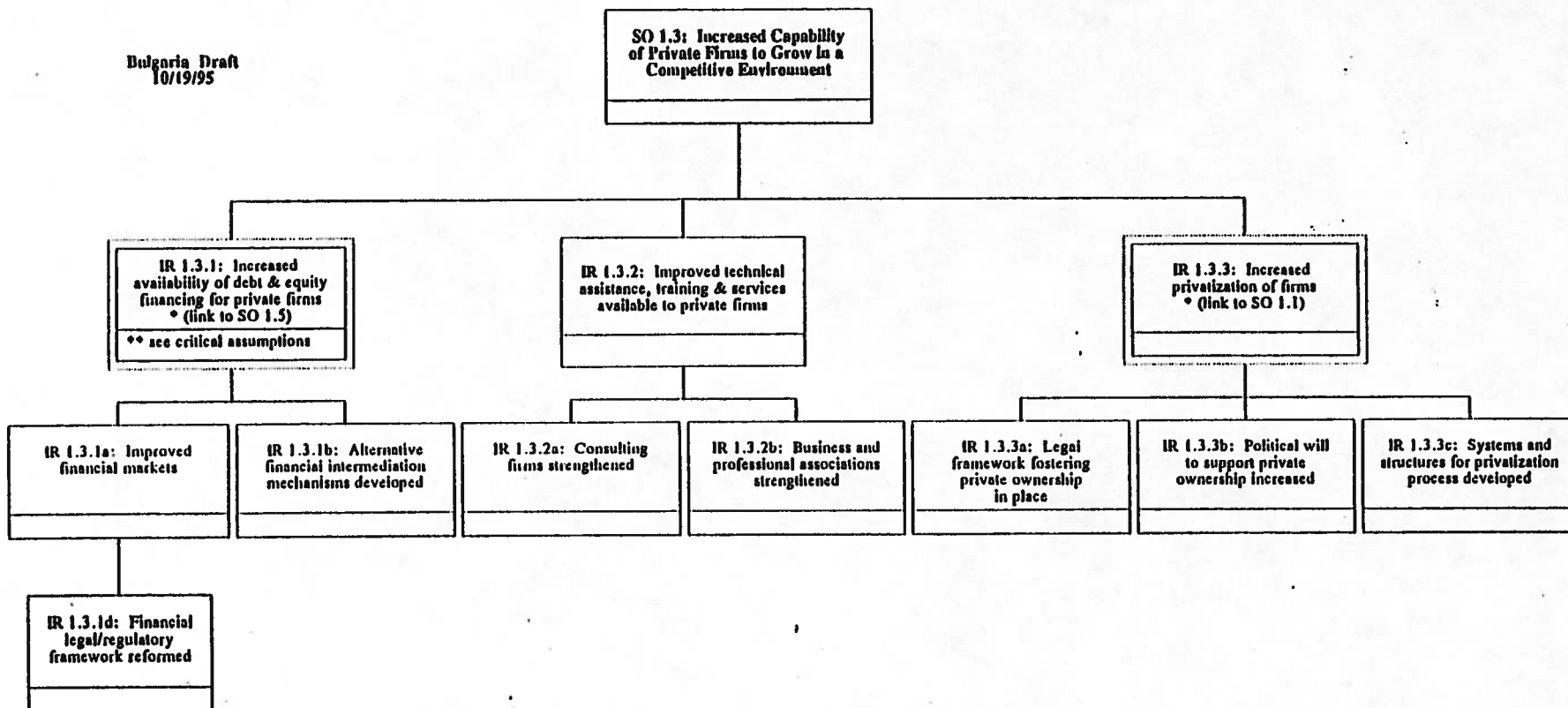
**S.O. 1.5: A Competitive Private  
Financial Sector Meets the Needs of  
a Modern Market-Oriented Economy**



12

POLAND  
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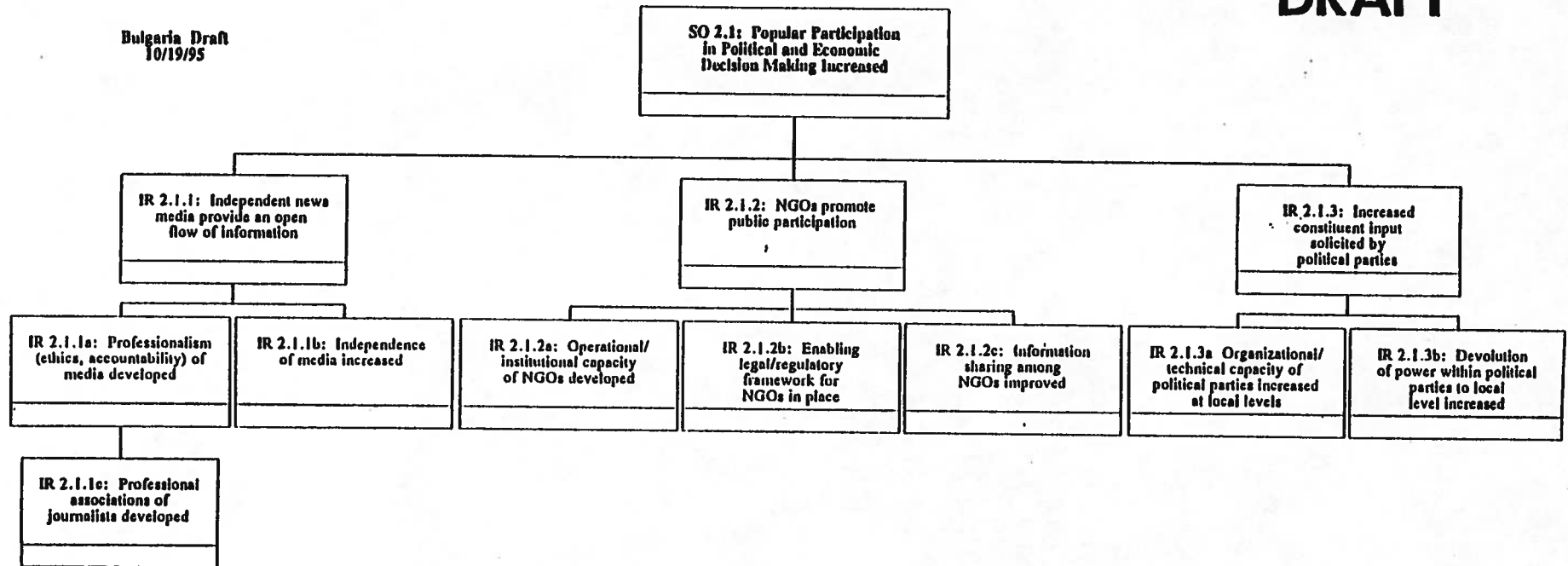
Bulgaria Draft  
10/19/95



♦♦ Critical Assumptions  
for IR 1.3.1:  
- macroeconomic stability  
- savings mobilization

**DRAFT**

Bulgaria Draft  
10/19/95

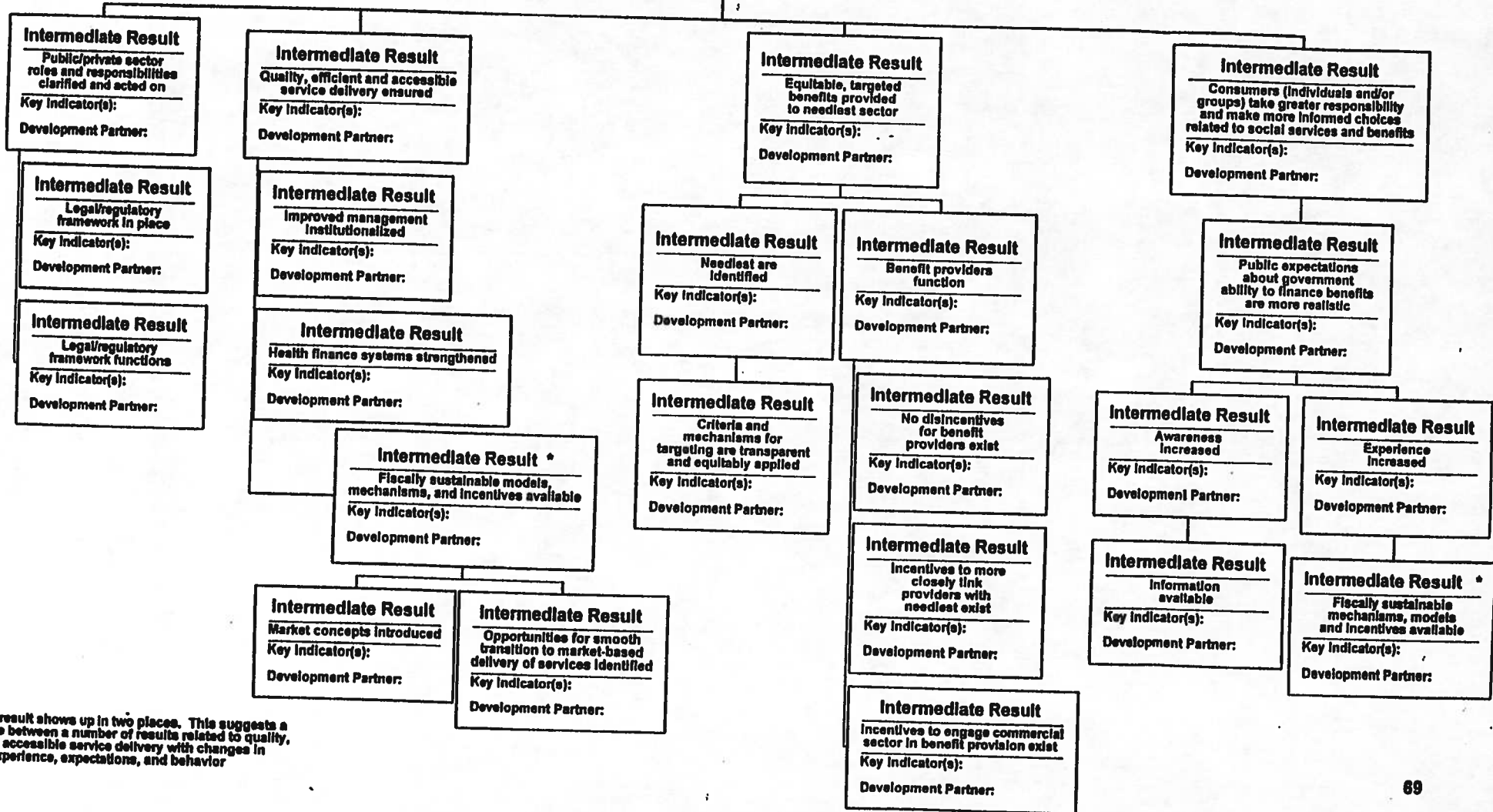




B

Draft  
Kazakhstan

**Strategic Objective 3.2**  
 The Sustainability of Social Services and Benefits is improved  
 Key Indicator(s):  
 Development Partner:



This same result shows up in two places. This suggests a close linkage between a number of results related to quality, efficient and accessible service delivery with changes in consumer experience, expectations, and behavior

## ANNEX H

### Performance Measurement Plan - Suggested Matrix for Managing the Collection of Performance Data

**Table 1, Performance Measurement Plan for Strategic Objective**

**Performance Indicator:** A performance indicator is a quantitative or qualitative dimension or scale to measure program results against a strategic objective or a program outcome. A performance indicator should be a precise, direct measure of the relevant objective; it should be practical (i.e., data are available or can be generated), and disaggregated (by gender, rural/urban, etc.) where possible and appropriate. If the objective being measured is focused and appropriately limited, only a few (or even only one) performance indicators are needed per strategic objective or program outcome.

**Indicator Definition and Unit of Measurement:** These two items are combined into one column, but both aspects are important. State exactly what it is that's going to be measured. Picture yourself as an evaluation officer who comes in a few years later and needs to know exactly how to replicate the data collection. What, precisely, is the indicator, and what is the exact unit of measurement? What are the numerator and denominator for this indicator? For example, suppose the objective is to increase the practice of contraception. The rough indicator might be the "number of women who practice one or more forms of contraception on a regular basis." How do we define a "woman" here (age range, only women in union or all women, only women who live in certain geographical areas or in the entire country, etc.). How do we define "forms of contraception?" What do we mean by "on a regular basis?" Are we looking only at the absolute number of women, or the number as a percentage of some whole (and if the latter, what is the whole?) We could use a completely different unit of measurement; e.g., instead of counting women who meet our criteria, we could count person-months of contraceptive use. Another example: If the indicator is something like "annual percentage increase in grain production," we need to define precisely what we mean by "grain production" (which grains, where, etc.) and we need to identify the precise unit of measurement, e.g., metric tons.

**Data Source:** Exactly where will the mission get the data? From whom and through what mechanism (a report, a survey, etc.)? Will the data simply be extracted from an item on the monthly reports of extension agents to a project office? Will the data come from a specific question on an annual survey of households, or from a quarterly report from the Ministry of Finance? Again, be as specific as possible. For instance, if the report has a number, give it; if a specific table in a report is the data source, provide this information also. Note that a box for "special" or "linkage" studies is not included. If a data source will be a special study, then the data that study will produce should be described here.

**Method/Approach of Data Collection:** Think replication when filling out this column. How

would a newcomer a few years from now know how to collect similar data? Are there any details that should be noted? If so, do so. This is useful not only for those collecting the data, but also for those interpreting them. While "Data Source" (the previous column) might provide the specifics of the source (e.g., Table 10.4 of the Ministry of Planning and Development's quadrennial report of its Rural Household Budget Survey), "Method/Approach" might provide details on the structure, interpretation, etc. of the data (e.g., the Rural Household Budget Survey is a national survey of a random sample of heads of households in all rural communities with less than 500 population). This column seems particularly relevant in those cases in which a special study is cited in the "Data Source" column. If you need more space for description, use a footnote and write in the Comments/Notes box at the bottom.

Data Acquisition by Mission: Acquisition here refers to the actual arrival of the data in the Mission. Depending on the data source, this can mean one of two things: Mission staff themselves are responsible for collecting data at their source, or the Mission is receiving data collected by someone outside the Mission (government counterparts, NGOs, contractors, etc.). In either case, this column indicates who at the Mission is responsible for ensuring that data are actually available at the Mission, and how often and when those data are to come into the possession of Mission staff.

Data regularly available at Mission? Stated as a question, this column lets performance measurement managers know if the data referred to in the previous column are actually available for use at and by the Mission. Whether the data are to be collected directly by Mission staff or by people outside the Mission, the critical question here is, "Are the data available?" A simple "yes" in this column indicates that the Mission has begun to acquire data and can proceed to analysis and reporting. "No" provides a reminder for performance measurement managers to continue tracking this important activity to make sure data will be available on schedule. By referring to the Gantt chart, managers can identify who is responsible for data collection if the data are unavailable and then work with that person to ensure timely collection and transmittal to the Mission.

Analysis and Reporting: The last step before actually using performance measurement information is data analysis and reporting. The final column on this table simply indicates who is responsible for these tasks and when the various Mission reports are due. As is the case in the two previous columns, the analysis and reporting information allows managers to monitor progress in implementing the performance measurement plan.

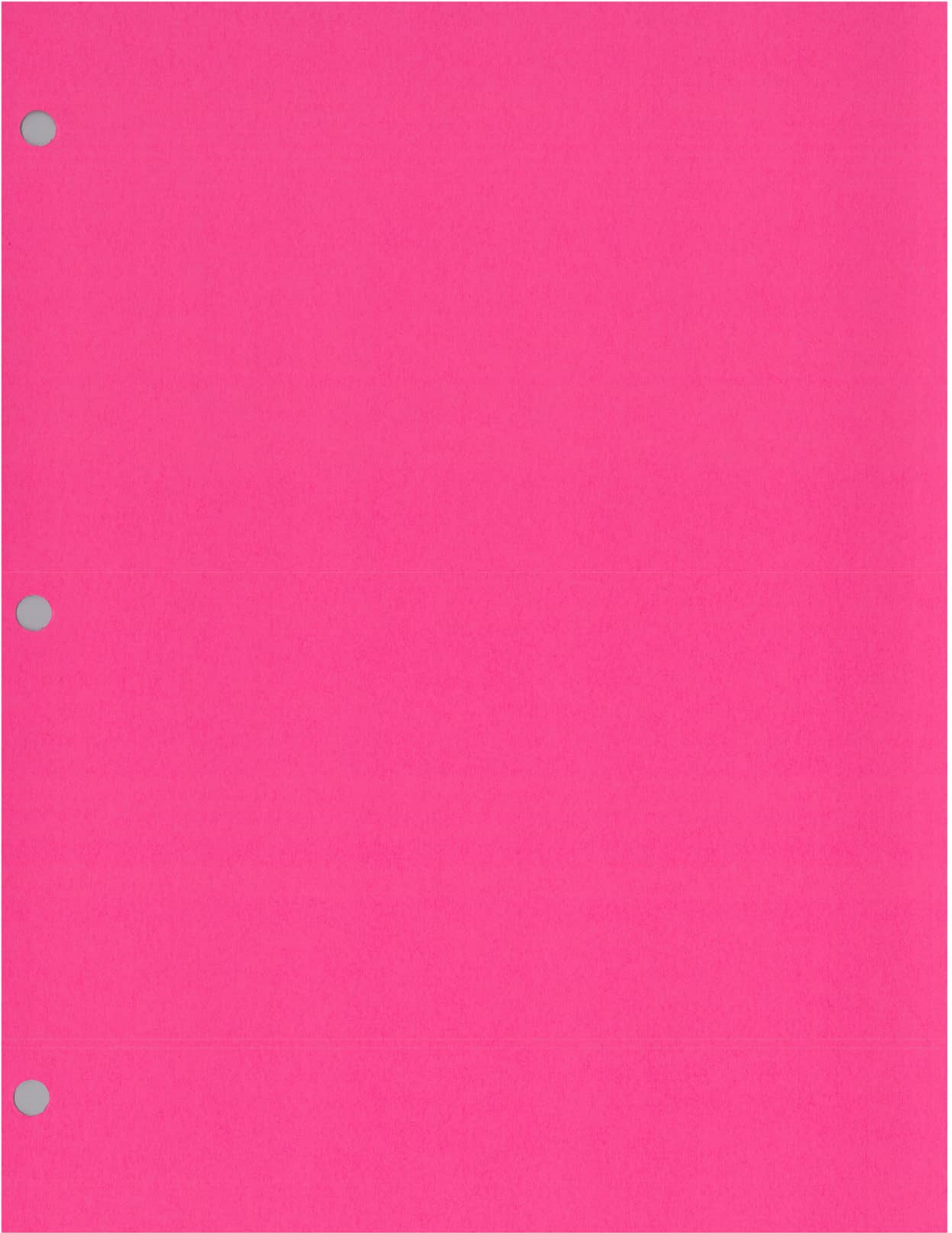
Comments/Notes: Use as you wish. This may be the place to document key assumptions being made in the choice of specific indicators and means of data collection, so that the next person will be able to understand.

**TABLE 1: PERFORMANCE MEASUREMENT PLAN FOR STRATEGIC OBJECTIVE 1**

PERFORMANCE INDICATOR	INDICATOR DEFINITION AND UNIT OF MEASUREMENT	DATA SOURCE	METHOD/ APPROACH OF DATA COLLECTION	DATA ACQUISITION BY MISSION		DATA AVAILABLE AT MISSION?	ANALYSIS & REPORTING	
				SCHEDULE/FREQUENCY	RESPONSIBLE OFFICE		SCHEDULE BY REPORT	RESPONSIBLE OFFICE
<b>STRATEGIC OBJECTIVE 1:</b>								
1.	<b>Definition:</b>  <b>Unit:</b>							
2.	<b>Definition:</b>  <b>Unit:</b>							
3.	<b>Definition:</b>  <b>Unit:</b>							
<b>COMMENTS/ NOTES</b>								







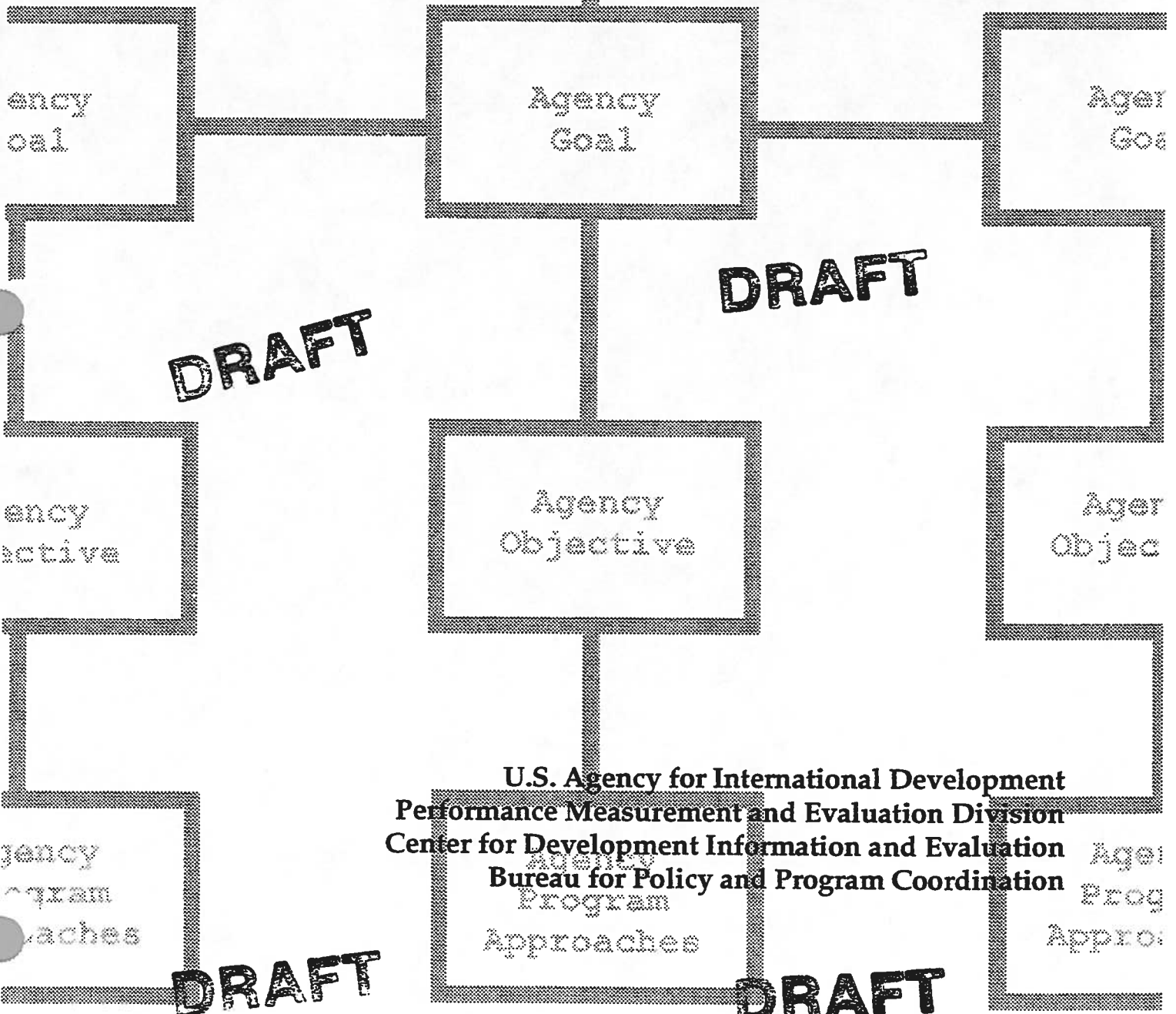
**DRAFT**

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Agency Mission

# The Agency's Strategic Framework and Indicators

## 1995-1996



Agency Goal

Agency Goal

Agency Goal

**DRAFT**

**DRAFT**

Agency Objective

Agency Objective

Agency Objective

U.S. Agency for International Development  
 Performance Measurement and Evaluation Division  
 Center for Development Information and Evaluation  
 Bureau for Policy and Program Coordination

Agency Program Approaches

Agency Program Approaches

Agency Program Approaches

**DRAFT**

**DRAFT**



DRAFT

# The Agency's Strategic Framework and Indicators 1995-1996

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The Agency's Strategic Framework and Indicators 1995-1996

**UNITED STATES AGENCY  
FOR  
INTERNATIONAL DEVELOPMENT**

**THE  
AGENCY'S  
STRATEGIC FRAMEWORK  
AND INDICATORS  
1995/96**

Performance Measurement and Evaluation Division  
Center for Development Information and Evaluation  
Bureau for Policy and Program Coordination

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOR  
NATIONAL DEVELOPMENT

THE  
AGRICULTURE  
STRATEGIC FRAMEWORK  
AS A LEADER  
1981

U.S. GOVERNMENT PRINTING OFFICE: 1981

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Action Memorandum signed by Administrator, September 18, 1995 1

### The Strategic Framework 1995/96

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- A. Frequently Asked Questions about the Framework and Indicators
- B. Conceptual Description of the Framework
- C. The Indicators for Agency Goals and Objectives for 1995/95

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8. Chapter VII: The Bill of Rights

9. Chapter VIII: The Reconstruction Era

10. Chapter IX: The Progressive Era

11. Chapter X: The New Deal

12. Chapter XI: The Cold War

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15. Chapter XIV: The 1960s and 1970s

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17. Chapter XVI: The 21st Century

APPENDIX A: The Constitution of the United States

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U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

AID  
EXECUTIVE SECRETARIAT

1995 SEP 13 P 5:38

SEP 7 1995

**ACTION MEMORANDUM FOR THE ADMINISTRATOR**

FROM: SDAA/PPC: Janet Ballantyne *Ballantyne*  
SUBJECT: Agency Strategic Framework 1995/96

**Issue:** Your approval of the concept and contents of the Agency Strategic Framework is required so that it can be used by all Missions and Offices for strategic planning and reporting results during 1995/96.

**Discussion:** In May, 1995, you charged PPC/CDIE with developing a simple and comprehensible system for measuring the agency's performance. A central component of the system is the Agency's Strategic Framework. The basic Framework concept was adapted from PRISM and already is used in most of the Agency's Missions and Offices. The concept was further developed during four Performance Measurement and Indicator Workshops. The Framework was refined by the Agency Sector Working Groups, led by PPC's Senior Policy Advisors, and used by each group to organize their recent sector reviews. Immediately prior to the reviews, PPC/CDIE briefed the M Bureau, the Sustainable Development Council, the Quality Council, and the Senior Staff on the concept and content of each sector framework.

The proposed Agency Framework presents, in a simple graphic, the *Strategies for Sustainable Development* and the *Implementation Guidelines*. It is a hierarchy of objectives and strategies displayed in five levels;

- \* U.S. national interests considered when identifying recipients of foreign assistance
- \* Agency mission: Sustainable Development: USAID's unique contribution to those interests
- \* Agency goals: the long-term changes in countries which contribute to the mission

- \* **Agency objectives:** significant development results that contribute to the Agency goals in each sector
- \* **Agency program approaches:** the strategies and activities that operating units implement to achieve results which contribute to Agency objectives.

The completed Agency Framework will include common performance indicators. Sector working groups are currently selecting indicators for each Agency goal and objective to show the changes to which our programs contribute (a draft list has been delivered to the DA and the final selections will be in place by September 30, 1995). As countries cross "thresholds" established for goal indicators in each sector, graduation from assistance in that sector will be considered. When a country crosses the threshold in several of the five sectors, it will be considered for graduation from our entire program. Following the selection of common indicators we will modify the Agency's "Results Tracking System" and associated directives to include the indicators and how they will be measured and reported.

Besides presenting the essence of the Agency's strategic plan, the Framework will be used by operating units to focus their own plans on the principal objectives of the Agency. The Framework also provides a common frame of reference for analyzing and reporting and enhances our ability to manage for results.

PPC proposes that the Agency work with the attached Framework for a year before making further changes. An "open season" for considering improvements will be held in connection with the sector reviews in July each year.

**Recommendation:** That you approve USAID's Strategic Framework for 1995/96, as described in the attachments.

Approve: \_\_\_\_\_

Disapprove: \_\_\_\_\_

Date: \_\_\_\_\_

SEP 18 1995

*Great!*

**Attachments:**

1. Agency Strategic Framework, Figures 1-7
2. Paper: USAID's Strategic Framework.



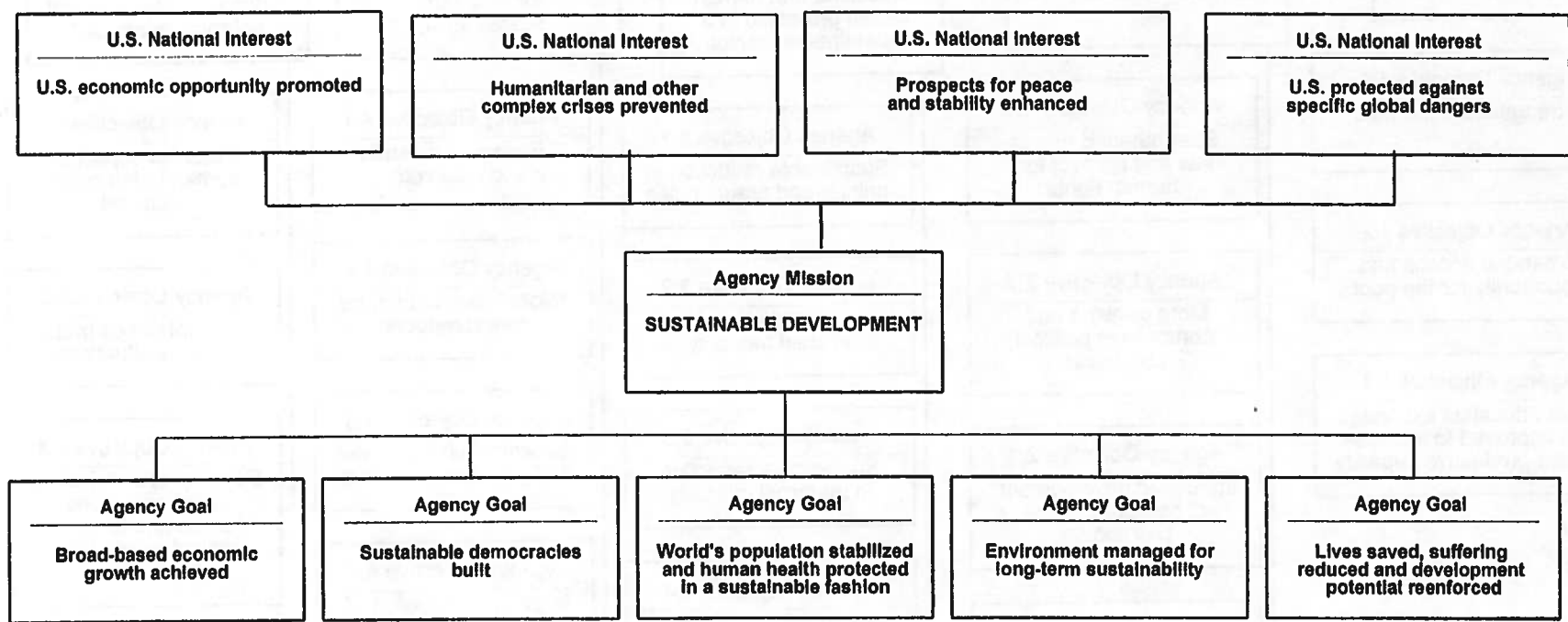


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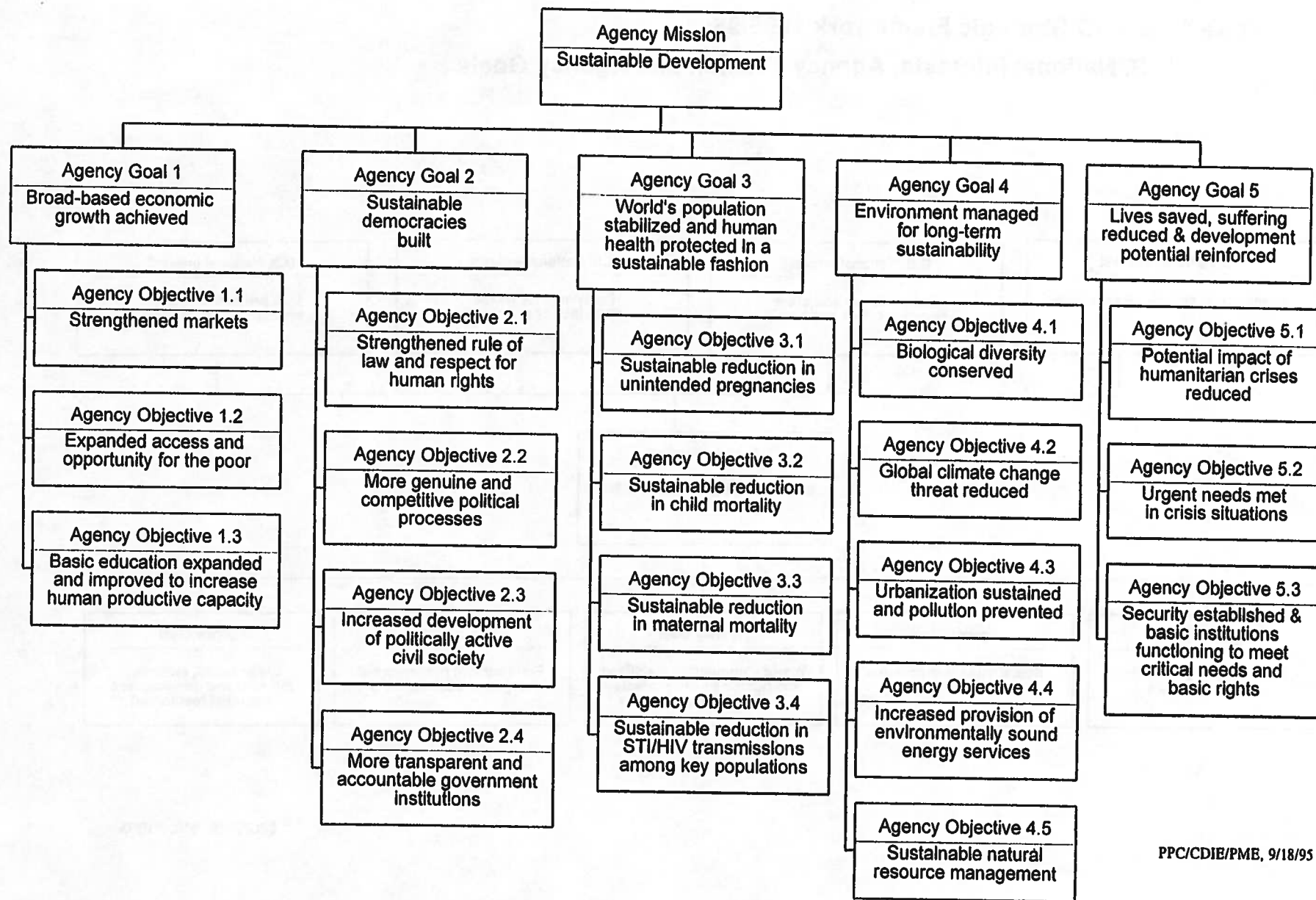
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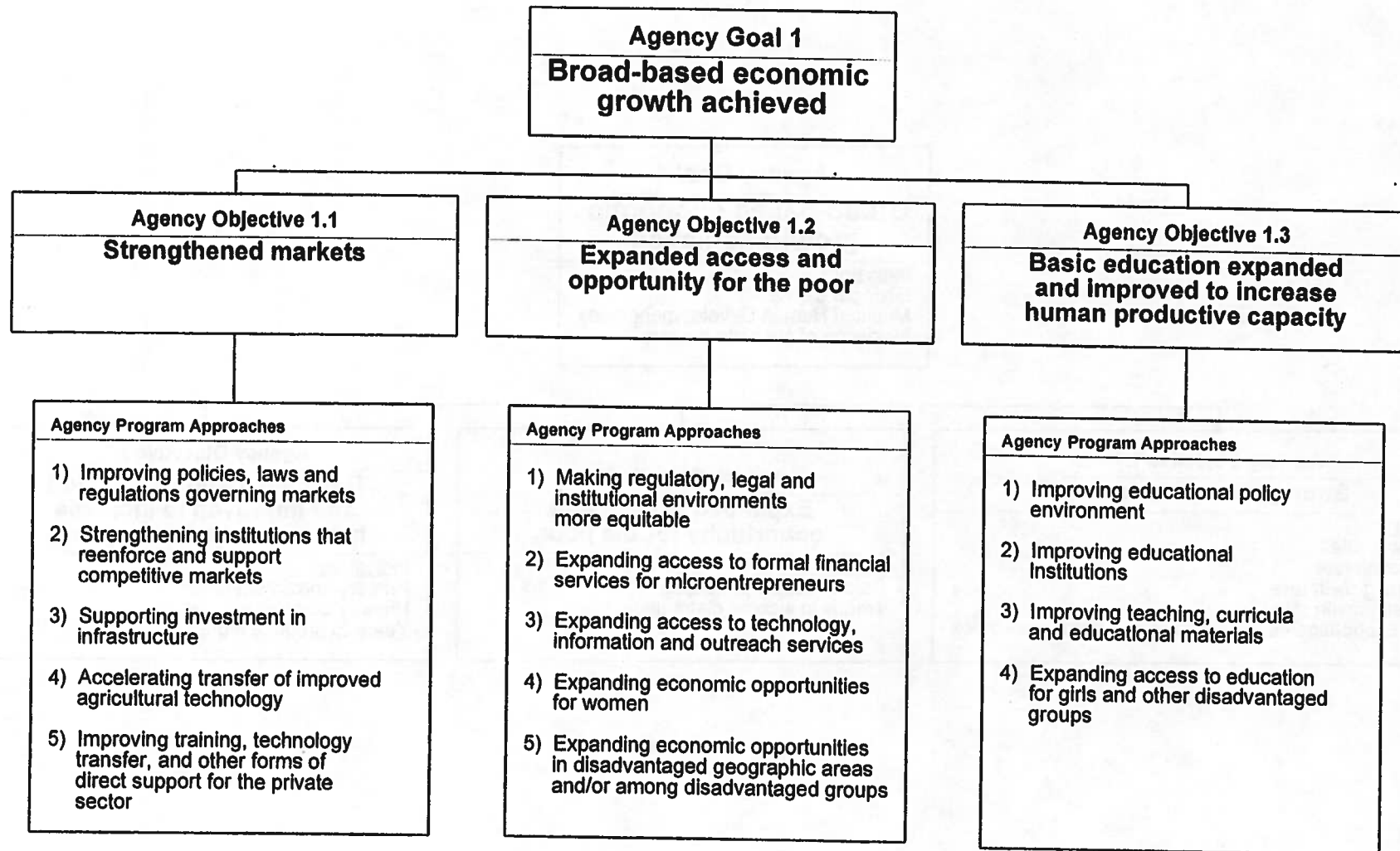
**Figure 1: USAID Strategic Framework 1995/96:  
U.S. National Interests, Agency Mission and Agency Goals**



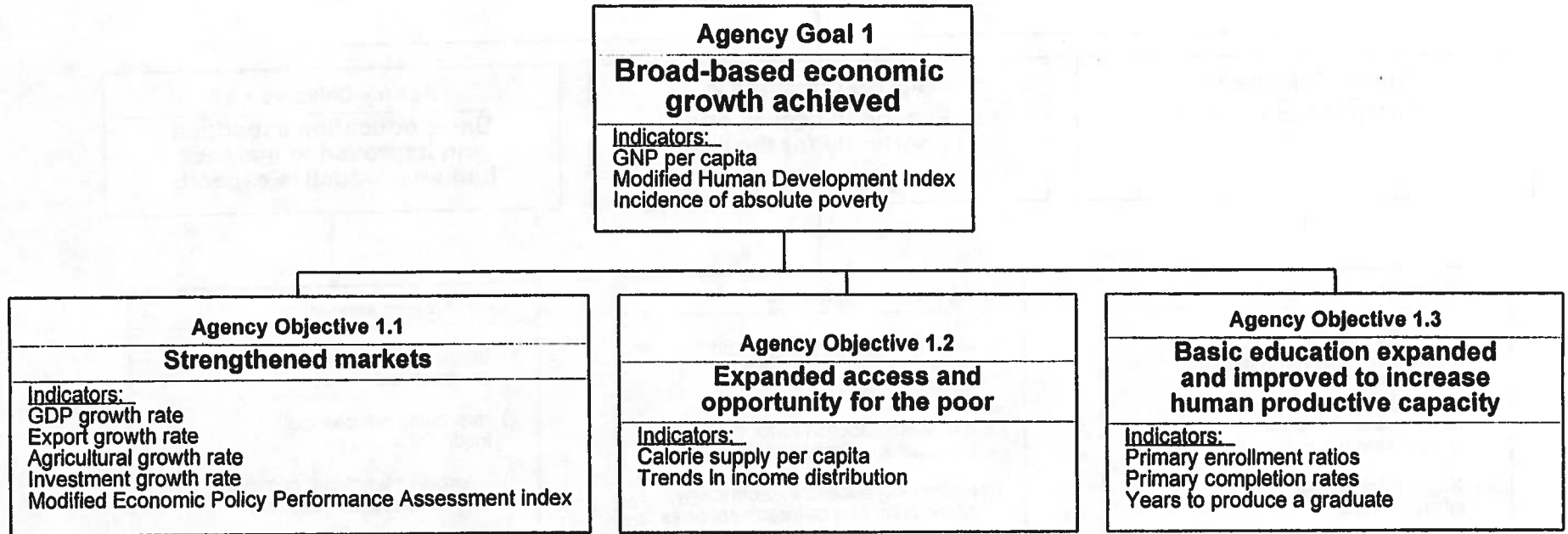
**Figure 2: USAID Strategic Framework 1995/96:  
Agency Mission, Goals and Objectives**



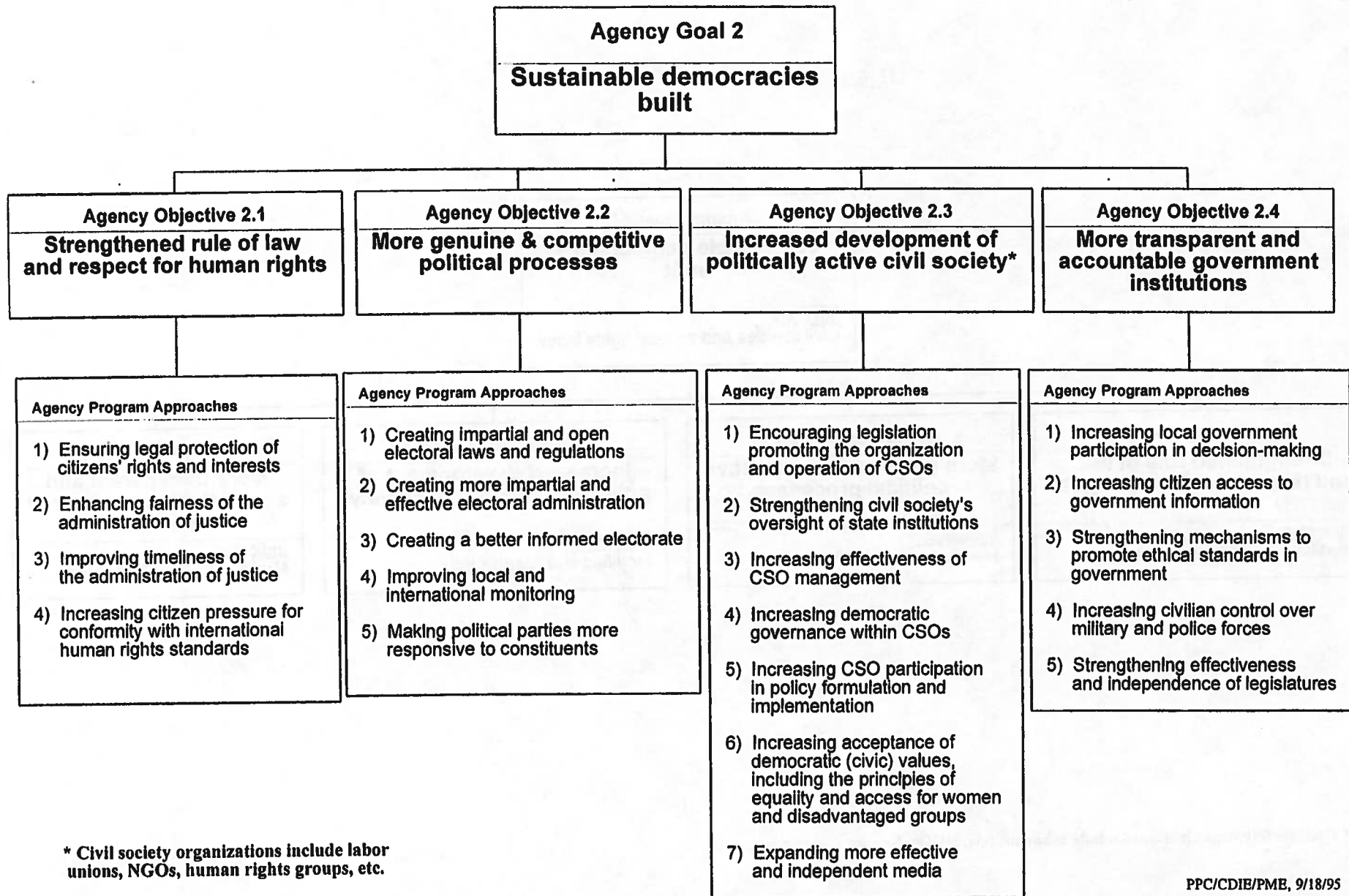
**Figure 3a: Economic Growth Strategic Framework 1995/96**



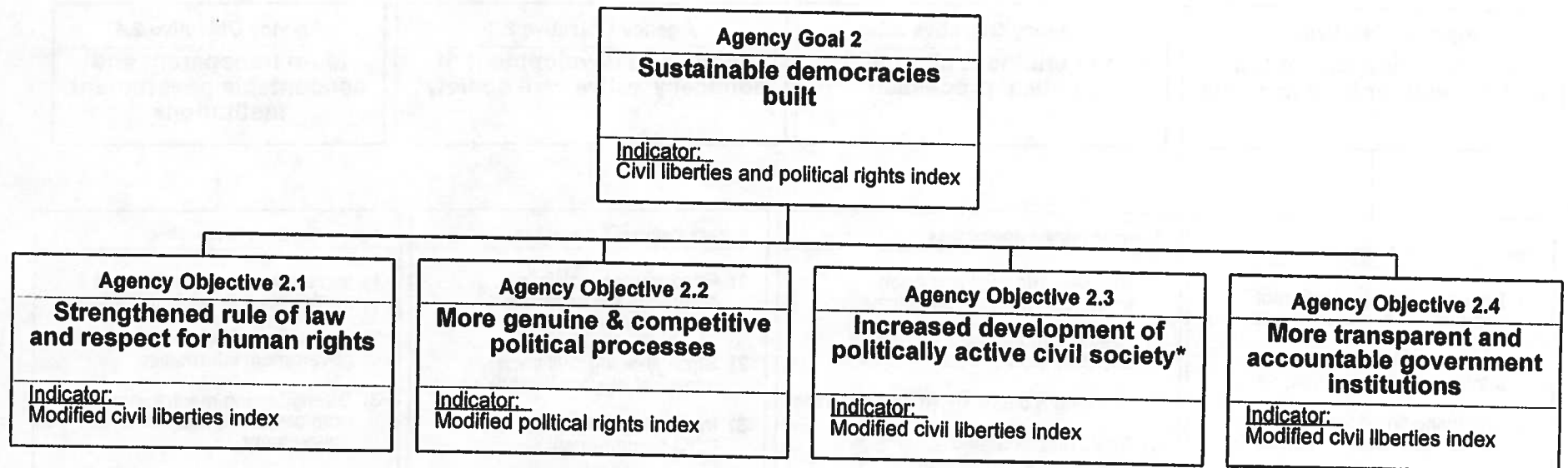
**Figure 3b: Agency Economic Growth Goal and Objectives 1995/96, with Indicators**



**Figure 4a: Democracy Strategic Framework 1995/96**

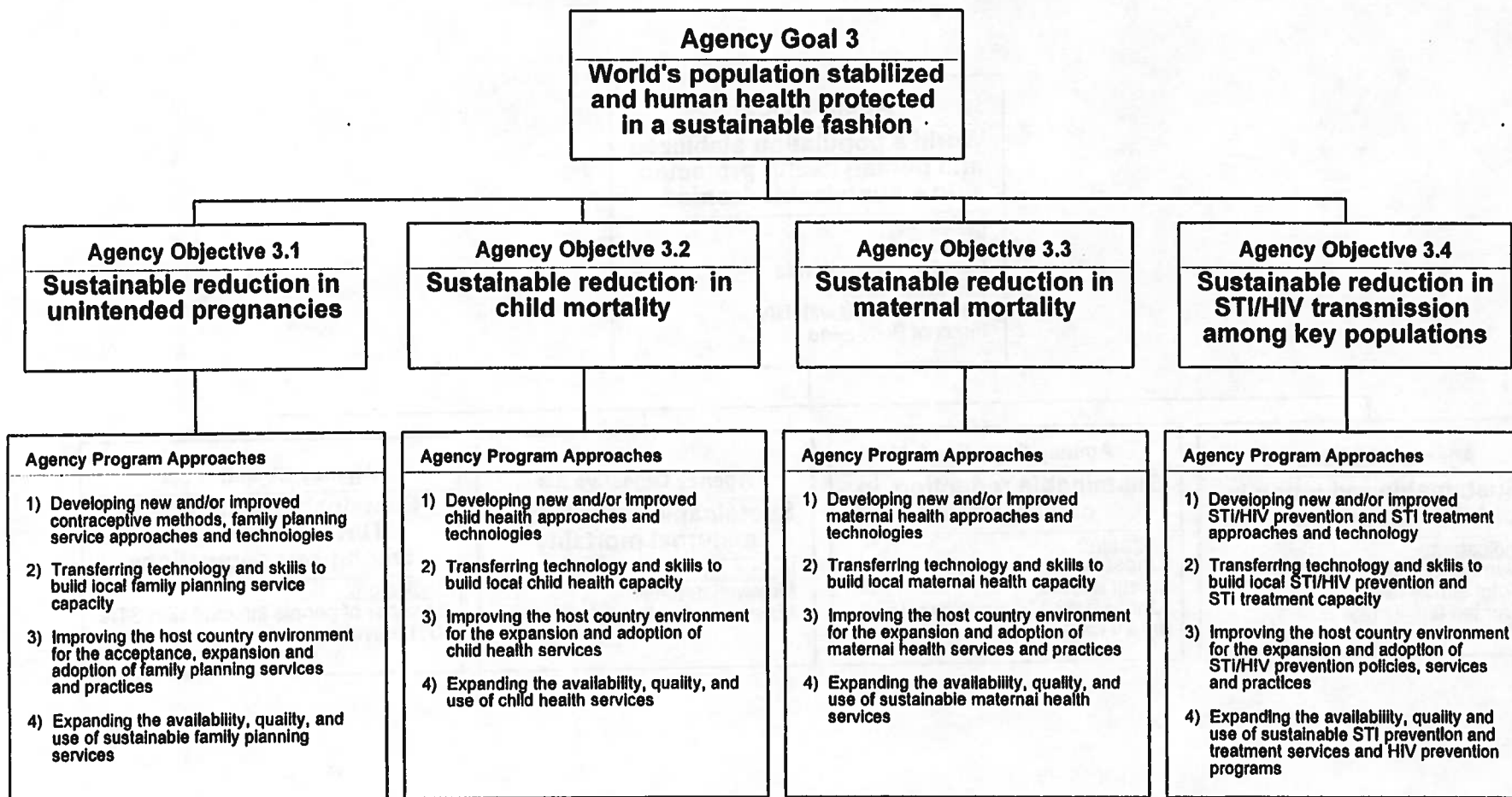


**Figure 4b: Agency Democracy Goal and Objectives 1995/96, with Indicators**



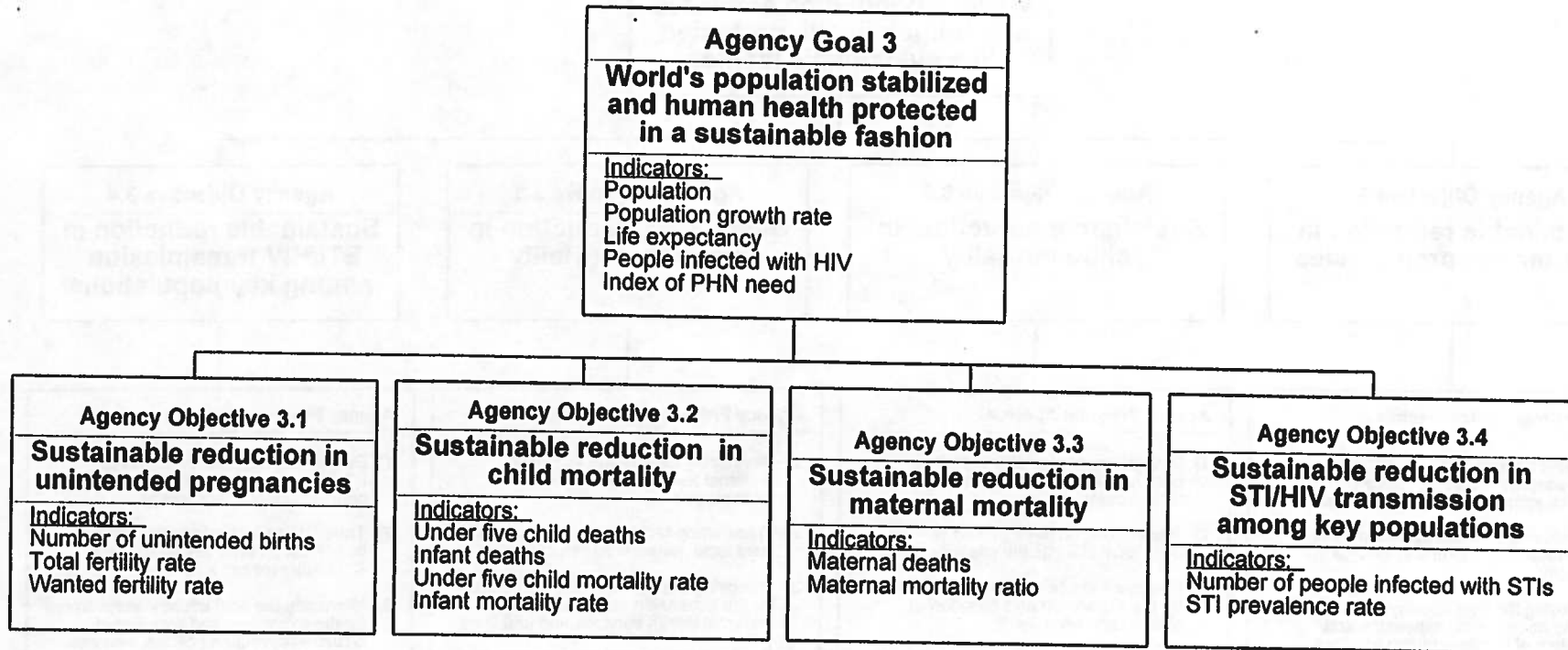
\* Civil society organizations include labor unions, NGOs, human rights groups, etc.

**Figure 5a: Population, Health and Nutrition Strategic Framework 1995/96**

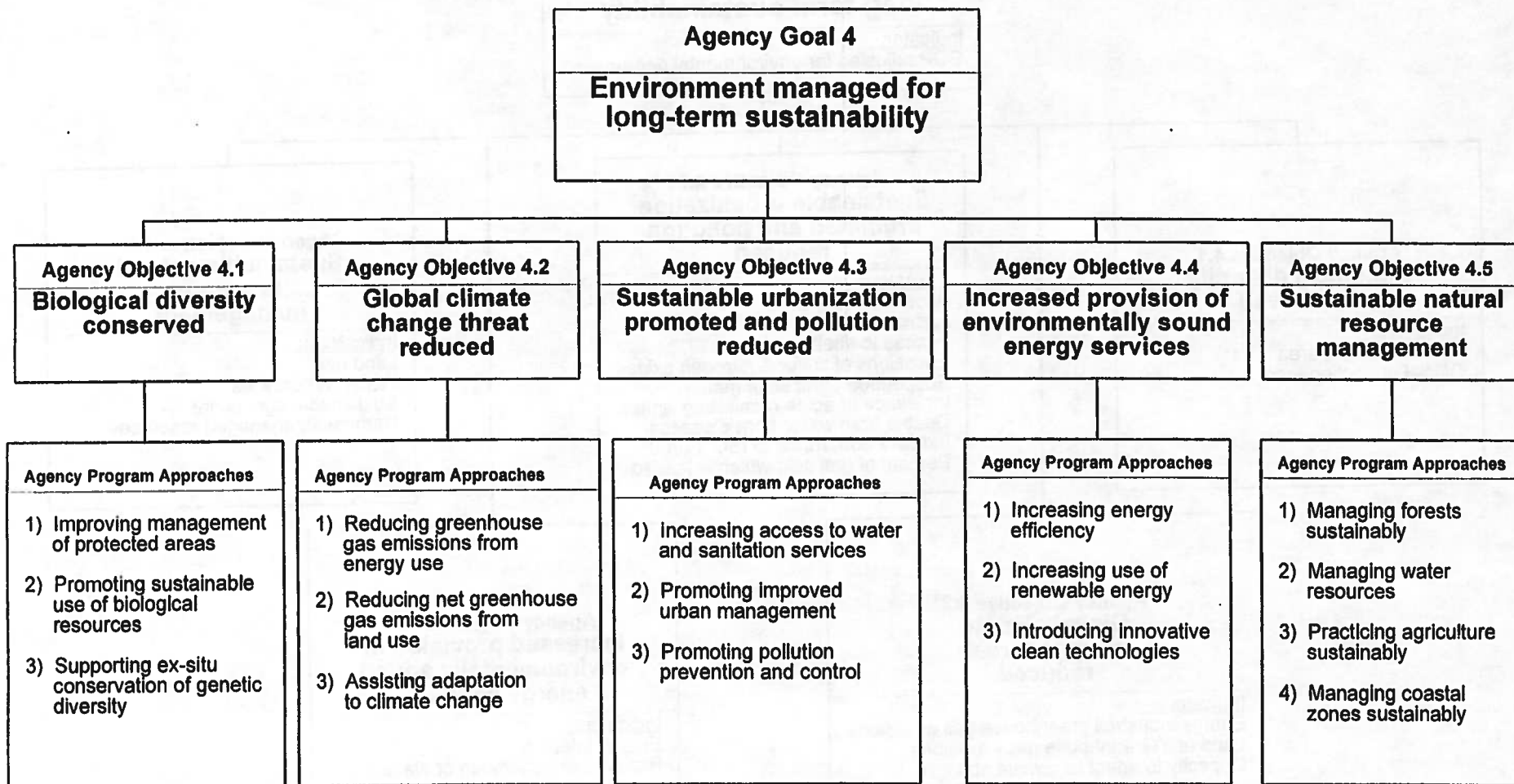




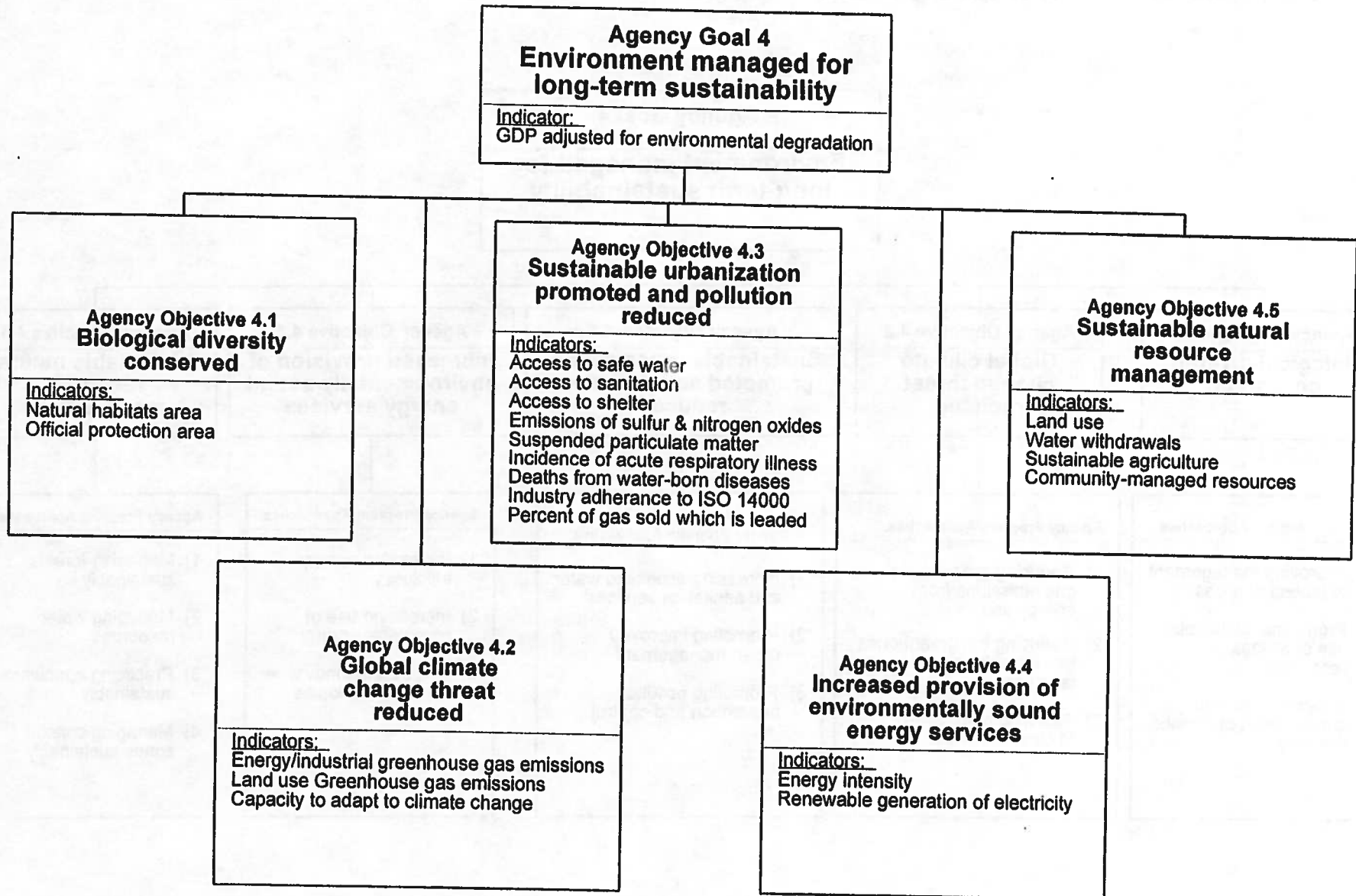
**Figure 5b: Agency Population, Health and Nutrition Goal and Objectives 1995/96, with Indicators**



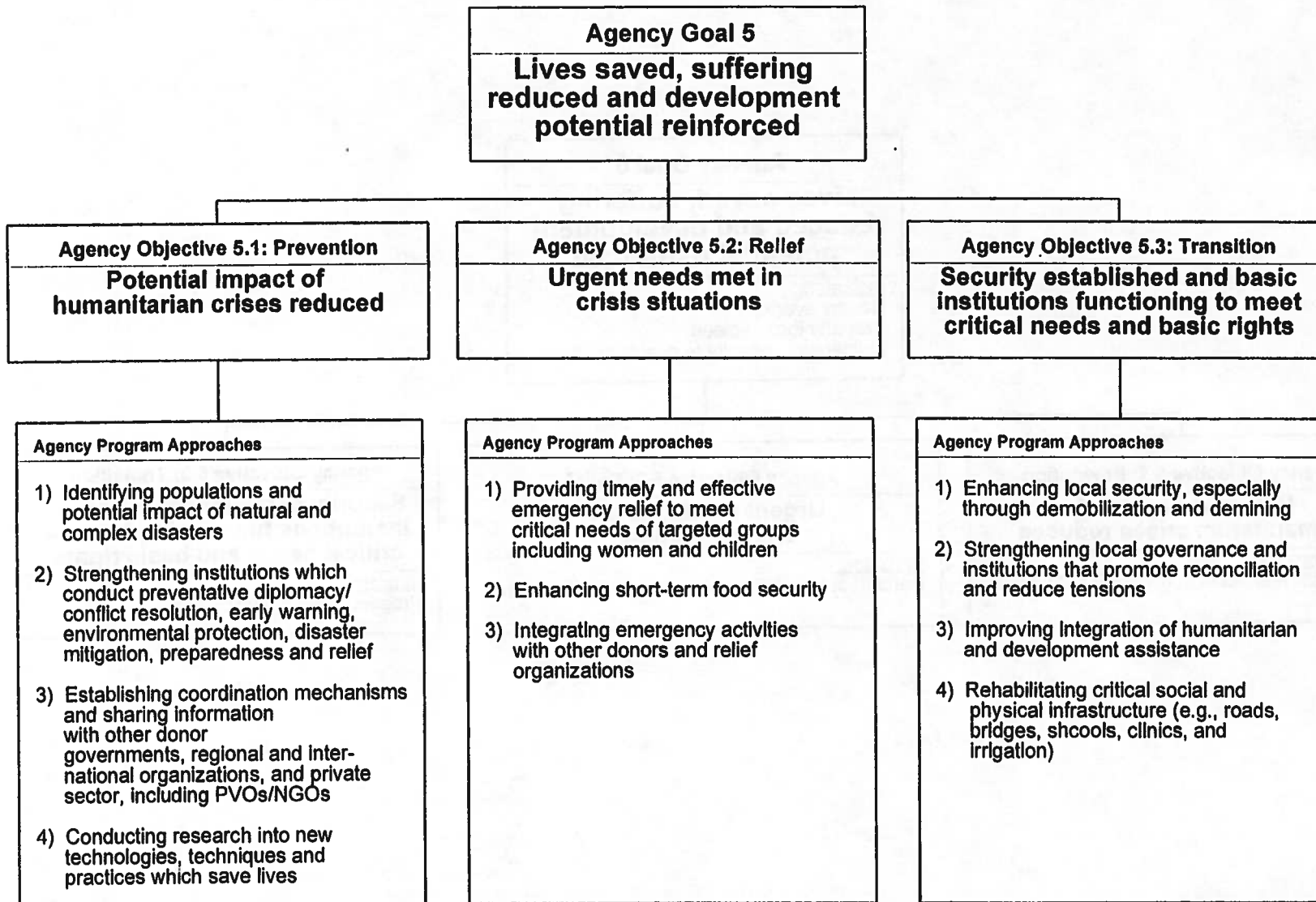
**Figure 6a: Environment Strategic Framework 1995/96**



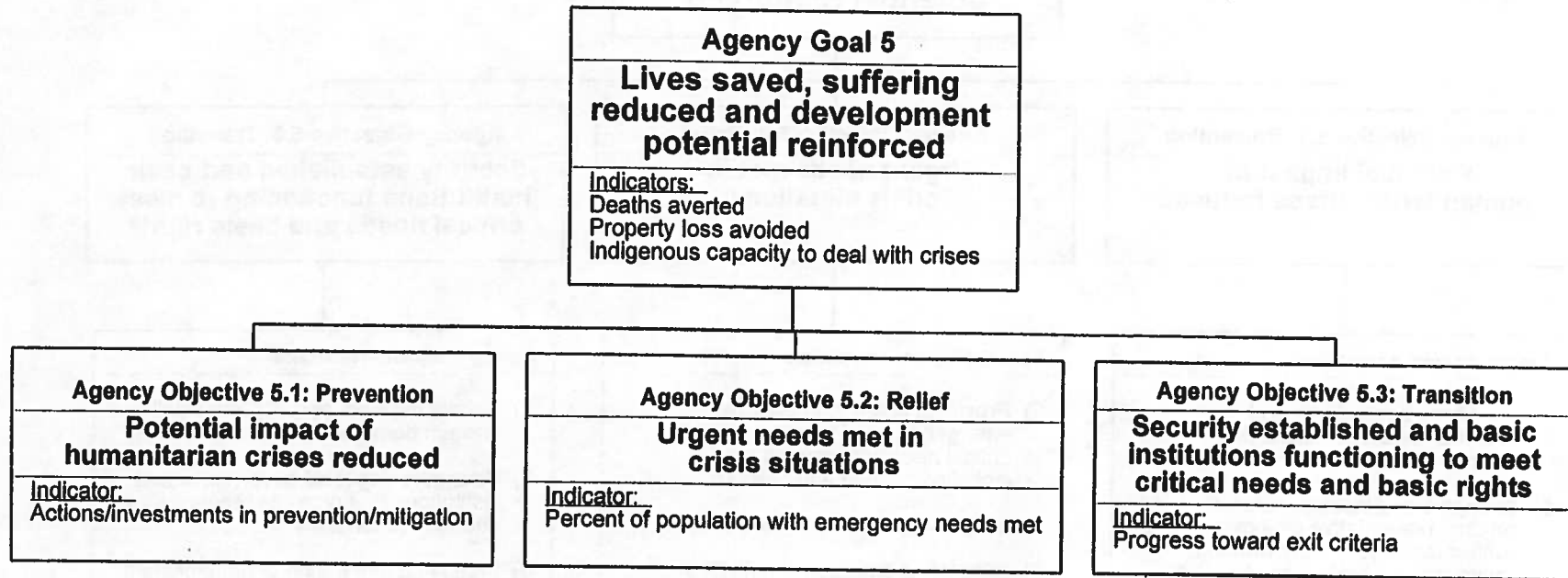
**Figure 6b: Agency Environment Goal and Objective 1995/96, with Indicators**



**Figure 7a: Humanitarian Assistance Strategic Framework 1995/96**



**Figure 7b: Agency Humanitarian Assistance Goal and Objective 1995/96, and Indicators**



**THE AGENCY'S STRATEGIC FRAMEWORK AND INDICATORS  
1995/96**

**APPENDIX A**

**FREQUENTLY ASKED QUESTIONS  
ABOUT  
THE FRAMEWORK AND INDICATORS**

THE HISTORY OF THE UNITED STATES OF AMERICA  
BY JOHN B. HESSE

1875

THE HISTORY OF THE UNITED STATES OF AMERICA  
BY JOHN B. HESSE

**FREQUENTLY ASKED QUESTIONS  
ABOUT  
THE STRATEGIC FRAMEWORK  
(11/95)**

**1. What is the Agency Strategic Framework?**

The Agency Strategic Framework is a simple diagram of Agency goals, objectives, and program approaches drawn from USAID's *Strategies for Sustainable Development* and the associated Implementation Guidelines.

The framework is a tool for communicating USAID's development strategy and strategic plan. The framework establishes an organizing basis for strategy and performance reviews, budgeting, and external reporting.

**2. What are Agency goals and objectives?**

Agency goals and objectives are those changes in developing country conditions that USAID has identified as critical for sustainable development. USAID works with its development partners to contribute to change in these important areas. In reviewing Agency performance and preparing the annual performance report, USAID assesses the progress of countries in which we are working toward achieving these goals and objectives.

**3. What about Agency program approaches?**

The Agency program approaches are the primary ways -- the kinds of program and policy interventions -- through which USAID contributes to Agency goals and objectives in a country. These approaches build on successful strategies currently being used in the field. They were refined by USAID's senior technical and policy advisors to ensure that they reflect current best advice.

**4. What is the relationship between the Agency Strategic Framework and country and other programming?**

All country, regional and global programs must contribute to the Agency-wide goals and objectives represented in the Agency strategic framework. Every proposed strategic plan (country, regional or global) must include a discussion of the linkage of the strategy to Agency goals and objectives.



Each operating unit's strategic objective must be linked to one Agency goal. It may be linked to other Agency goals on a secondary basis if necessary.

Each operating unit's strategic objective should also be linked to one or more Agency objective within its primary goal. Most activities represent one or more of the Agency approaches listed under the Agency objectives. Operating units should identify the program approaches they are using -- both in their strategies and their R4 reporting.

5. **Can missions pursue activities that contribute to an Agency objective but that don't coincide with the program approaches listed for that objective?**

Yes. The list of approaches is a work-in-progress. We will be seeking to improve the list of approaches over the coming year. It would be helpful to hear from missions and other operating units about program approaches which they consider especially effective. And, regional bureaus will likely want to learn about new and innovative approaches (and the results they achieve) in country strategy and R4 reviews.

6. **Why have indicators been developed for the strategic frameworks?**

Agency-wide working groups have developed indicators to monitor the progress of countries toward Agency goals and objectives, both for USAID-assisted countries and for other countries where we want to track development progress. This information will help us assess Agency performance and report on it in USAID's annual report on performance. While we will be assembling time series data on these indicators, we will not be setting performance targets. USAID may, however, identify thresholds (or ranges) for indicators at the goal level as one basis for considering if a country should graduate.

We will also be developing menus of indicators for the Agency program approaches. These menus will be based on current best practice and mission experience with the indicators they are using to monitor performance. Operating units are free to determine which, if any, indicators from these menus they will use.

7. **Can we attribute any changes in these country indicators to USAID's programs? Don't they represent high level changes in country conditions that are often far removed from what we do on the ground?**

Certainly, there are only a few cases in which we can directly link the results of specific USAID interventions to changes in these country level indicators. But these

indicators of change related to Agency goals and objectives do provide an important "frame of reference" for analyzing country programs and Agency performance. These are the key development changes which we want to address with our development partners.

**8. How will information on Agency indicators be factored into budget decisions?**

These data will be used in assessing Agency performance as an input into budget decision-making. With additional contextual information, they provide a reasonable picture of a country's development status, how that country compares to other countries in critical development areas, and how that country is progressing over time. This is an important reference point for analyzing USAID's contribution. It also provides a clearer basis for Agency-wide strategic planning and reporting under the Government Performance and Results Act of 1993 (the GPRA).

These kinds of data (along with other information on program performance, policy priorities, technical capabilities, and foreign policy significance) are already being used by USAID managers at all levels in setting priorities and allocating budgets.

The Agency indicators could be likened to red warning lights on a car dashboard. If countries fail to make progress with respect to Agency goals and objectives, or even slip back, that's cause for concern. It's something we'd want to explain and do something about, if possible. Similarly, if a country performs particularly well, we'd want to understand that, too. The warning lights don't provide answers, but do raise important questions.

**9. Analyzing these kinds of data is complicated and requires sector and country knowledge. How will this analysis be carried out? Who will participate?**

Analysis of the indicator data will be a part of the program and budget reviews of each sector. These reviews will draw upon expertise from PPC, the regional bureaus, and technical staff from the Global and Humanitarian Response Bureaus. These data may also be used by operating units themselves as a basis for relating the performance of their programs to broader development changes.

**10. Won't getting all this data on Agency goals and objectives be an enormous burden on country missions?**

We certainly hope not. Wherever possible, the Agency working groups selected indicators for which data were available from secondary sources. Such data are fairly well established in areas like economic growth, population, and health. In

newer program areas like environment and democracy, USAID may need to be more proactive in developing indicators and collecting data -- along the lines of our pioneering work in creating a worldwide demographic and health data base.

While we have tried to minimize the burden on missions and other operating units in collecting data on these performance indicators, there may be occasions when data on specific indicators may be requested. Any such decisions will be made judiciously and in consultation. Better data are only worth getting if their value to the Agency outweighs the costs of collecting them.

11. **What happens if a mission believes that data for certain indicators in their country are inaccurate?**

We have selected indicators for which comparable data are available from generally accepted sources. Any concerns about the accuracy of data will be examined with Missions and Bureaus.

12. **How should Missions use the Agency indicators in their programming? Should Missions specifically design their programs to affect the Agency indicators?**

Missions should certainly design programs around the Agency goals and objectives, which reflect what we would like to achieve as an Agency, but not around the Agency indicators themselves. These Agency indicators represent the best data we can obtain from secondary sources and reflect national level changes that are substantially beyond most missions' manageable interest and the scope of their strategic objectives. Changes in these indicators are likely to be only indirectly linked to mission programming and budgeting, which should more directly reflect a mission's performance in achieving its own strategic objectives and intermediate results.

We recognize, moreover, that the Agency indicators are not necessarily the *best* indicators of what our programs are trying to accomplish in particular countries, but reflect practical considerations and world-wide availability. Certainly, such high level Agency indicators should not drive mission programming.

13. **Are there any plans to update or revise the framework and indicators based on experience?**

The current framework and indicators aren't perfect. They represent an important first step in systematically setting out and tracking Agency goals and objectives. We will use this framework in program planning and review this year and evaluate its

appropriateness and utility. Each year, as part of the Agency-wide sector review, goals, objectives and indicators will be updated, as necessary.

**14. How can Agency staff contribute to changes in the Agency Strategic Framework and indicators?**

In addition to the more formal Agency-wide annual review mentioned above, we would welcome hearing your suggestions, concerns, or issues with the Strategic Framework and indicators at any time. We would also be glad to try to answer any questions you may have about the frameworks or performance monitoring and evaluation for your own program or more generally. Just email us through the Agency's PM&E Hotline.

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...the ... of ...

**THE AGENCY'S STRATEGIC FRAMEWORK AND INDICATORS  
1995/96**

**APPENDIX B**

**USAID's Strategic Framework**

What is it?	B-1
How can it be used?	B-1
The Components of the Framework	B-2
Performance Indicators	B-2
Analysis and Reporting	B-3
Performance Measurement and Evaluation	B-3
Implications for Missions and Offices	B-4

**Figures**

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B-2. Expanded Version of Components	B-6
B-3. The LINK between the Agency Strategic Framework and Operating Unit Results Framework	B-7
B-4. Relationship of Agency and Operating Unit Strategic Plans	B-8

THE ACTIVITY OF THE CRYSTALLINE AND AMORPHOUS PHASES

1958

EXPERIMENTAL

1. Preparation of Samples

1.1  
1.2  
1.3  
1.4  
1.5

The samples were prepared by...  
The crystalline phase was...  
The amorphous phase was...  
The samples were...  
The crystalline phase...  
The amorphous phase...

2. Results

2.1  
2.2  
2.3  
2.4

The results of the...  
The crystalline phase...  
The amorphous phase...  
The...  
The...  
The...

# USAID'S STRATEGIC FRAMEWORK

## *What is it?*

USAID's strategic framework is the hierarchy of the Agency's mission, goals, objectives, and program strategies taken from the Agency's strategic plan (currently the Strategies for Sustainable Development and the Implementation Guidelines). The framework is one of the tools we use to manage for results. Its strength comes from its simplicity, but it has its limitations. Additional tools are needed to analyze cross-cutting concerns, such as integration, sustainability, and participation. The framework summarizes Agency policy and reflects the results being sought by Missions and offices (operating units). It is a conceptual diagram which illustrates the causal links between:

1. the Agency's mission and the national interests which USAID serves by fostering sustainable development;
2. the Agency goals and objectives and the Agency mission; and,
3. the objectives which the operating units pursue to contribute to the achievement of the Agency objectives, goals and mission.

## *How can it be used?*

It is a tool which can be used:

1. To **communicate** the essence of the Agency's strategic plan, by clearly articulating Agency goals, objectives and strategies.
2. To **focus operating unit strategy plans**, by ensuring that their strategic objectives and intermediate results are explicitly related to Agency priorities.
3. To **analyze and report results** of Agency programs for internal and OMB reviews, Congress, and the annual report required by the Government Performance and Results Act (GPRA).
4. To **contribute to management decisions**, by providing performance and results information for program direction and resource allocations.



## ***The components of the framework*** -- see figures on pages 5- 7.

- \* ***U.S. national interests*** considered in identifying recipients of foreign assistance
- \* ***The Agency mission*** -- Sustainable Development: USAID's unique contribution to those national interests
- \* ***The Agency goals*** -- the long-term changes in countries which contribute to the mission
- \* ***The Agency objectives*** -- significant development results that contribute to Agency goals in each sector.
- \* ***The Agency program approaches*** -- the strategies and activities that operating units implement to achieve results which contribute to the Agency objectives.

## ***Performance Indicators***

Performance indicators are dimensions of goals or objectives which are measured to assess progress being made towards the goal or objective. Baselines and targets are the values of performance indicators at the beginning and end of the planning period. We will consider graduating countries from assistance in each sector as the values of goal indicators approach targets or "thresholds" established by the Agency for each country.

***Agency mission.*** There are no distinct performance indicators at this level at this time. Success in reaching the Agency's mission is determined by examining performance for each of the Agency goals.

***Agency goal indicators.*** Indicators of goal achievement are changes in country characteristics. Goals are long-term (10+ years) objectives. Changes in their indicators may be slow and only partially caused by USAID programs. The targets established for the goal indicators are the "threshold" values which show at what point USAID assistance may no longer be needed in a sector. Policies regarding exit strategies and graduation are being developed and will be promulgated this fall.

***Agency objective indicators.*** Agency objectives are medium-term (5-8 years) and their indicators are also country characteristics. Measurable change in their indicators may take several years. Changes in these indicators may be more directly related to USAID programs than changes in goal indicators.

***Agency program approaches.*** Each of the Agency's program approaches has a menu of indicators, primarily derived from the indicators being used by operating units for their strategic objectives. Within each approach we will assess the

effectiveness of the strategies by analyzing the performance indicators for the strategic objectives and intermediate results of the operating units.

## ***Analysis and Reporting***

***Agency mission and goals.*** At this level we will examine and report on global, regional, and national trends in 25-30 common indicators (5-6 for each goal) representing changes in country conditions and taken primarily from existing international databases of development indicators.

***Agency objectives.*** Here we ask: What progress are the countries where we are working making towards achieving key objectives in each sector? How does their progress compare with countries not receiving our assistance? How do trends at this level compare with trends at the goal level? Are there management or technical issues that require further analysis? Data will be drawn from international databases.

***Agency program approaches.*** Here we can examine the approaches and the expected and actual results from operating units using the same strategy. Within each group we can examine performance by analyzing the changes in the indicators of the strategic objectives and intermediate results and reviewing the narrative explanations in annual performance reports. Performance data on strategic objectives and intermediate results for all USAID-assisted countries is available on the automated, agency-wide, performance tracking system.

Results can be "rolled up" in various ways to provide a more complete picture of our results and their significance. For example, we can aggregate results across countries and look at regional trends when operating units have the same objectives and indicators. We can report and compare progress being made within a group of units pursuing the same strategy. We can compare the progress of units using different strategies to reach the same objective -- interpreting the results with caution. We can assess Agency contributions to changes in country conditions by comparing trends in country level indicators with trends in strategic objective and result indicators. We can identify successes and failures to provide a basis for further investigation. We can provide information for management decisions.

## ***Performance Measurement and Evaluation***

Both performance measurement and evaluation are required to ensure that Agency resources are deployed most effectively towards Agency goals and mission. They are distinct, but complementary, ways of obtaining information for decisions.

Managers use **performance measurement** to track their results. The Administrator and other stakeholders, through GPRA, will use performance measurement to assess how well the Agency is performing its mission. The core of the system is a clearly defined hierarchy of objectives, which is derived from development theory and practical experience. A limited set of performance indicators for each objective is measured to assess progress towards that objective. Performance measurement answers questions about "**whether and if**" results are being achieved on schedule, at cost and if expectations are being met. Performance measures provide clear insights about where more in-depth evaluations should be done.

**Evaluation** can answer managers' questions about "**how and why**" results are, or are not, being achieved. They can examine both intended and unintended results and more complex issues such as sustainability. They enable us to go far beyond performance measurement to examine and describe the fuller impacts of our activities. Performance measures are useful in evaluation, but they provide only a portion of the information required for impact assessment and management decisions.

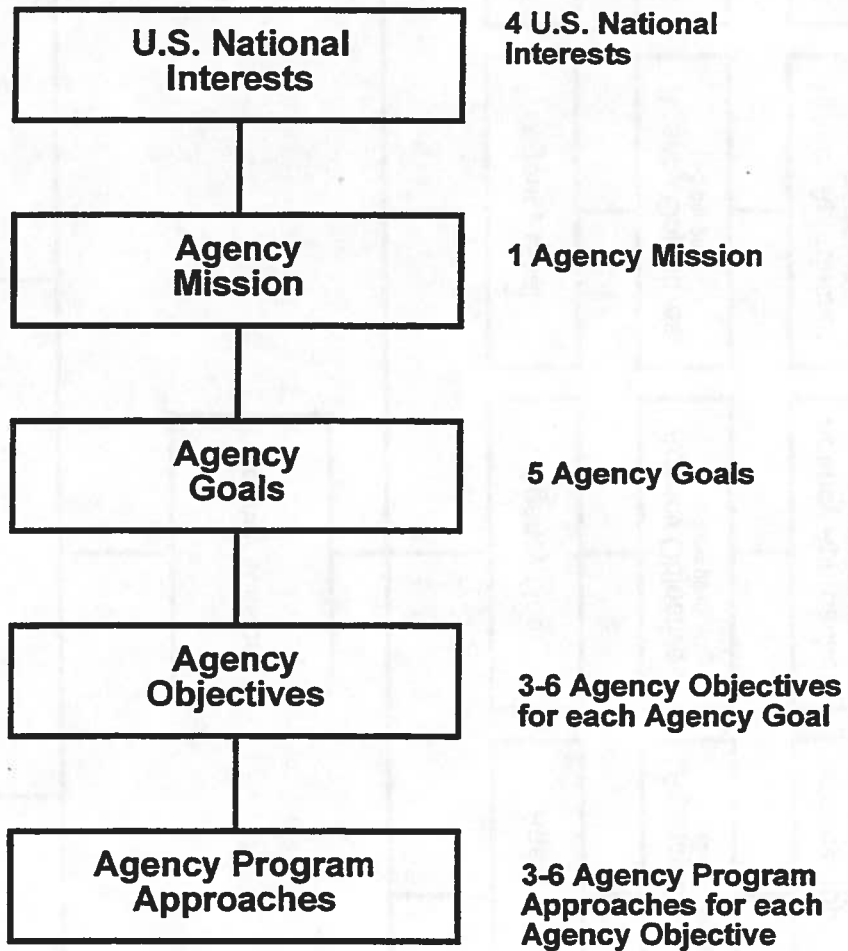
To analyze our results we need both performance measures and evaluations. These are the integral parts of an effective results management system. Shortly USAID will have a broad base of performance data regarding all its programs. We can use this information to plan our evaluations more strategically -- which in turn will improve our performance measures.

## ***Implications for Missions and Offices***

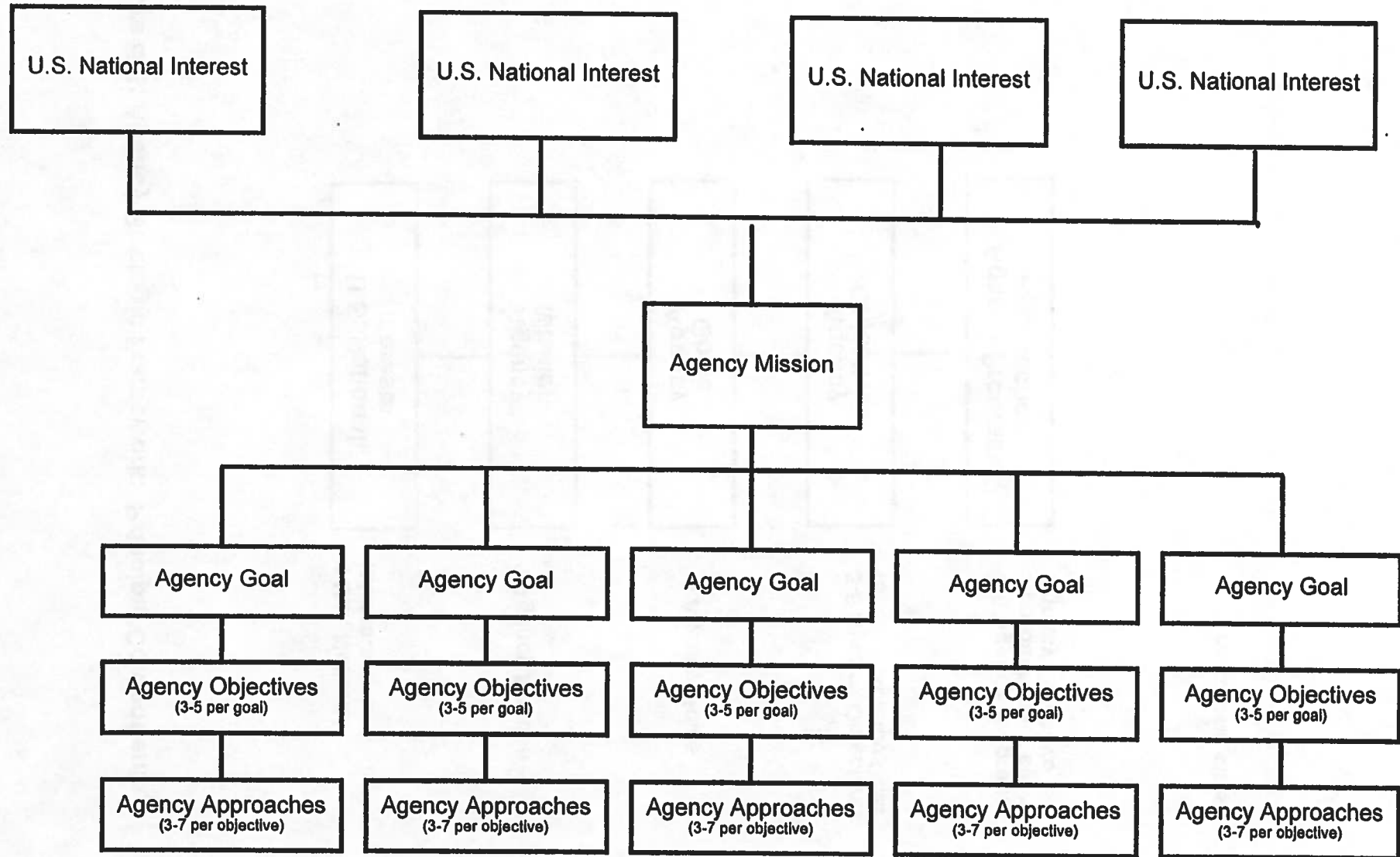
Missions and Offices will be able to use the Agency Framework as guidance when they develop and revise their country strategic plans. The Missions will be able to designate the Agency Objectives to which their activities contribute. They will also be able to indicate which program approaches they are using to reach their objectives and, wherever possible, choose an indicator or indicators from a menu of indicators associated with each Agency program approach. Operating unit objectives not linked to an Agency objective will have to be clearly explained in the Mission strategic plan.

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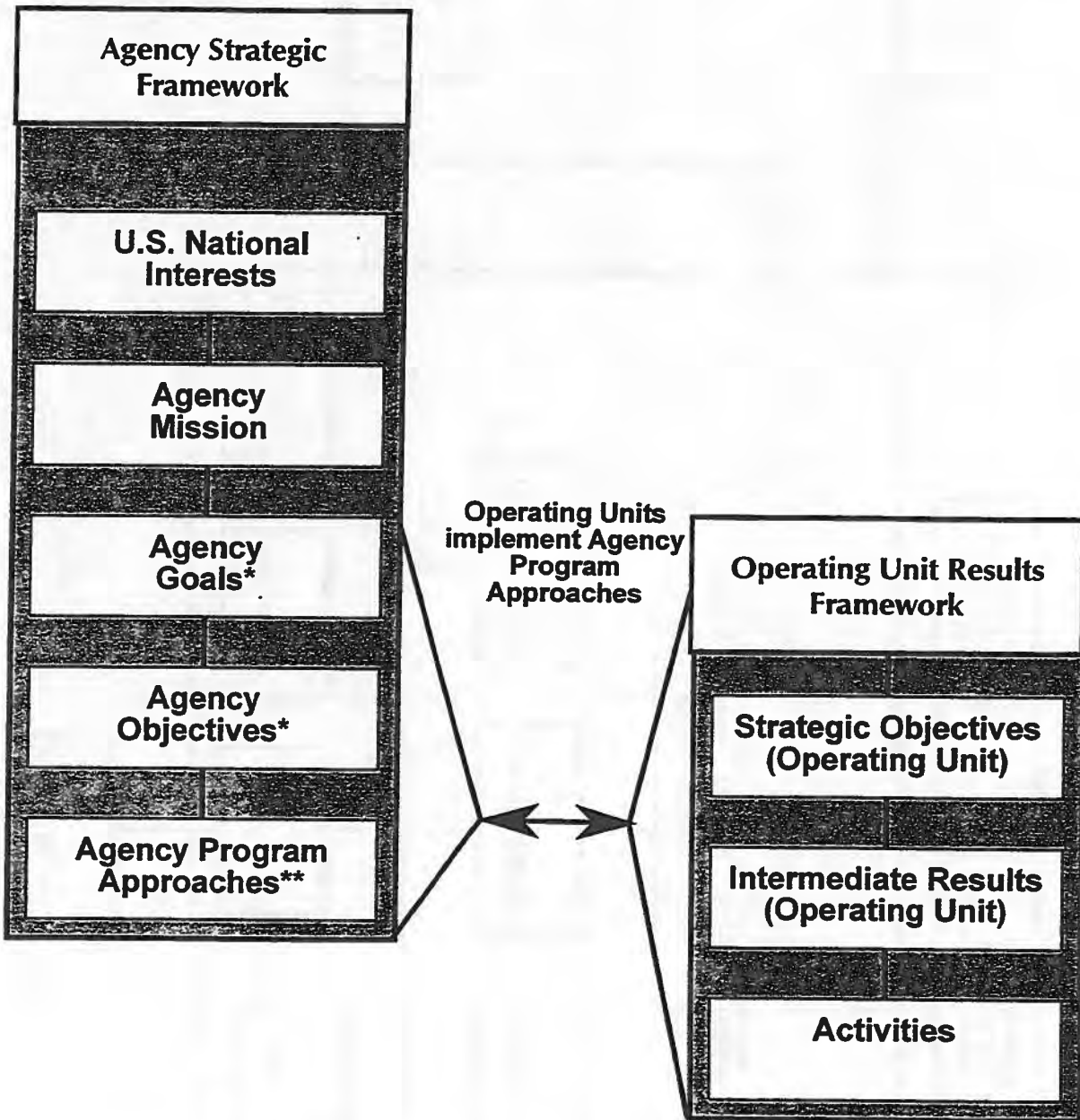
**Figure B-1: Agency Strategic Framework: Principal Components**



**Figure B-2: Agency Strategic Framework: Expanded Version of Components**



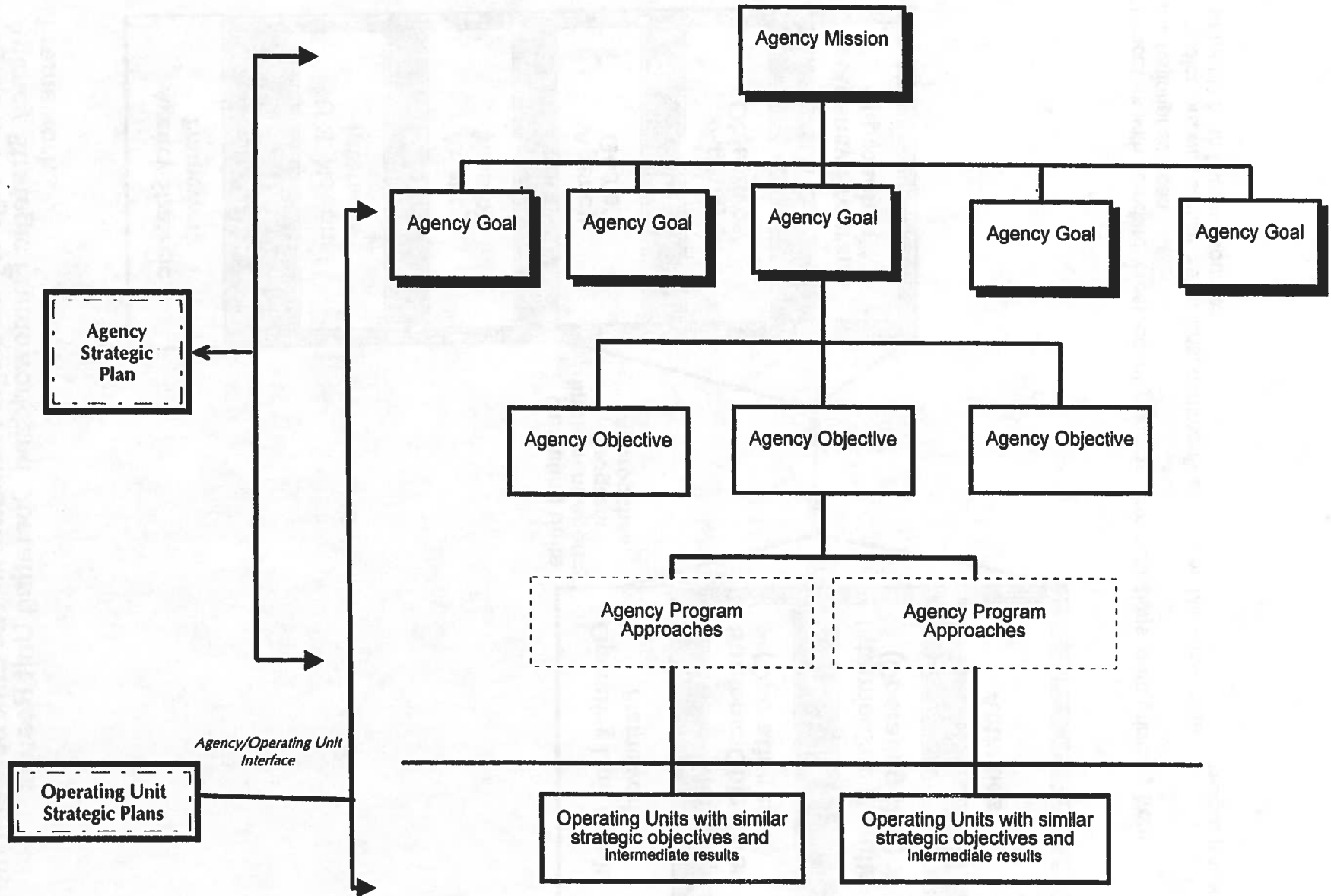
**Figure B-3: Agency Strategic Framework: The Link between the Agency Strategic Framework and Operating Unit Results Framework**



\*Indicators with standard, cross-country comparable definitions; data primarily from international sources

\*\*Indicators with similar definitions, commonly shared by Missions; data primarily from Mission sources

**Figure B-4: Relationship of Agency & Operating Unit Strategic Plans**



**THE AGENCY'S STRATEGIC FRAMEWORK AND INDICATORS  
1995/96**

**APPENDIX C**

**THE INDICATORS FOR 1995/96**

1. Information Memorandum for the Administrator, October 6, 1995 C-1
2. Economic Growth Indicators C-4
3. Democracy Indicators C-5
4. Population/Health Indicators C-8
5. Environment Indicators C-9
6. Humanitarian Assistance Indicators C-11



THE STATE OF TEXAS, COUNTY OF DALLAS

APPENDIX C

THE STATE OF TEXAS, COUNTY OF DALLAS

1. The State of Texas, County of Dallas, do hereby certify that the following is a true and correct copy of the original as the same appears in the records of the County of Dallas, State of Texas, to-wit:

2. The State of Texas, County of Dallas, do hereby certify that the following is a true and correct copy of the original as the same appears in the records of the County of Dallas, State of Texas, to-wit:

3. The State of Texas, County of Dallas, do hereby certify that the following is a true and correct copy of the original as the same appears in the records of the County of Dallas, State of Texas, to-wit:

4. The State of Texas, County of Dallas, do hereby certify that the following is a true and correct copy of the original as the same appears in the records of the County of Dallas, State of Texas, to-wit:

5. The State of Texas, County of Dallas, do hereby certify that the following is a true and correct copy of the original as the same appears in the records of the County of Dallas, State of Texas, to-wit:

6. The State of Texas, County of Dallas, do hereby certify that the following is a true and correct copy of the original as the same appears in the records of the County of Dallas, State of Texas, to-wit:



U.S. AGENCY FOR  
INTERNATIONAL  
DEVELOPMENT

OCT 6 1995

**INFORMATION MEMORANDUM FOR THE ADMINISTRATOR**

**FROM:** AA/PPC, Colin I. Bradford

*CB*

**SUBJECT:** Performance Indicators for Agency Goals and Objectives

The attachment to this memorandum lists the performance indicators which have been selected for the Agency's Goals and Objectives specified in the Agency's Strategic Framework which you recently approved. These indicators will track the development changes which USAID seeks to help bring about in countries where we work.

The consideration of indicators began in February, 1995 when CDIE distributed "Draft Agency Results Frameworks". These frameworks were used to develop indicators in four workshops which were co-sponsored by PPC with the appropriate Global Center or the Bureau of Humanitarian Response, between March and July, 1995. These workshops involved more than two hundred staff from all parts of the Agency and many of our development partners. Subsequently Sector Working Groups, with representatives from all central and regional bureaus, refined the Agency Framework as they prepared for the Sector Reviews in July. Some of the Sector Working Groups have also taken the lead in developing the lists of indicators.

Many concerns and issues were raised by the teams as they struggled with the selection of indicators. This led to a set of working assumptions which addressed some of the issues and provided important guidance as the groups moved forward. The key working assumptions are:

1. The "Agency indicators" reflect country performance on a limited number of key dimensions of the Agency goals and objectives. They do not usually directly reflect the performance of USAID's programs – they reflect country performance to which USAID contributes.

2. **USAID program performance is tracked with the "program indicators"** of strategic objectives and intermediate results which are presented in mission results frameworks.
3. The indicators act like "signal lights" on a dashboard telling us if and how fast we are progressing towards our destination. The full understanding of country and program performance, however, requires the collection of much more data than is available in the results tracking system. Sound programming and budget decisions require that indicator data be supplemented with performance information from evaluations and case studies of both our own and our partners programs and that this be factored in with political, social, financial, and other information prior to any decision.
4. Data for the Agency indicators should, ideally, be available in recognized published sources, for most of our recipient countries, and brought up-to-date regularly.
5. All Agency and program objectives and indicators will be available to all Agency staff in the new management system (NMS) so that they can use them when appropriate.
6. The Agency indicators will be used to assess and report on broad performance of USAID-assisted countries for the sector reviews, annual performance reports, the Congressional Presentation, and other reports. In these reports the performance data will be supplemented with additional analysis and narrative.
7. The targets set for Agency goal indicators will act as thresholds for our consideration of programs and countries for graduation.

The working assumptions do not address completely all the issues raised during the selection of the indicators and the groups working on their implementation and use will continue to explore and resolve the remaining issues as outlined in step 2 below.

In keeping with the principles of re-engineering and USAID as a learning organization, I present these lists of indicators as first step in a continuing process of development and refinement. I propose the following as the next steps:

1. PPC will provide the 1995/96 Agency Strategic Framework and the Agency Performance Indicators to all Agency staff, together with the working assumptions listed above and a list of frequently asked questions (FAQs) and issues, with answers, raised during indicator development. Staff will also receive the revised Implementation Guidelines.

2. The Sector Working Groups will address and seek clarification and resolution of the following issues:
  - a. Is the reliance on data from secondary sources too limiting and will it force the Agency to use indicators that do not adequately reflect goals and objectives? Do we need to collect additional data in some areas to capture better the changes we are seeking to bring about?
  - b. Will indicators, rather than objectives, determine design of our programs? Will Missions design their programs to reach objectives or to "look good" on certain indicators?
  - c. How can we more closely relate changes in Agency objective and goal indicators to the results of our programs?
3. PPC/CDIE, working with the G, BHR, Regional and M Bureaus, will assemble a database of indicator measures and prepare them for entry into the NMS.
4. Bureaus and Missions will be asked to vet the indicators and the database and provide suggestions for their improvement.
5. PPC/CDIE, working with the G, BHR, and Regional and M Bureaus, will use the indicators in the 1995 Annual Report on Program Performance and FY 1997 Congressional Presentation. As we prepare the Sector Reviews in 1996 we will review their utility, make recommendations for changes, and develop paradigms for using the indicators in programming and budget decisions.

Attachments:

1. List of Agency Indicators by Sector

Clearances:

PPC/CDIE:SSmith \_\_\_\_\_ Date \_\_\_\_\_  
 SDAA/PPC:JBallantyne \_\_\_\_\_ Date \_\_\_\_\_  
 ES:AWilliams \_\_\_\_\_ Date \_\_\_\_\_  
 DA/AID:CLancaster \_\_\_\_\_ Date \_\_\_\_\_

PPC/CDIE/PME:GKerr:9.29.95:x 54116:u:\gkerr\docs\indicator.mem:ST

## **Proposed Indicators for Economic Growth Goal and Objectives**

### **AGENCY GOAL 1: Broad-based Economic Growth Achieved**

#### **Indicators:**

1. Growth rate of GNP per capita
2. Modified Human Development Index based on: Per capita income in purchasing power terms; Life Expectancy; Literacy rates; Ratio female to male enrolment rates in primary school -- (as an indicator of women's status, which in turn reflects whether economic growth is broad-based)
3. Trends in the incidence of absolute poverty

### **AGENCY OBJECTIVE 1.1: Strengthened markets**

#### **Indicators:**

1. GDP Growth rate
2. Export Growth rate
3. Agricultural Growth rate
4. Investment Growth rate
5. Modified Economic Policy Performance Assessment index reflecting trade, foreign exchange, monetary and fiscal policy, and inflation

### **AGENCY OBJECTIVE 1.2: Expanded access and opportunity for the poor**

#### **Indicators:**

1. Calorie supply per capita
2. Trends in income distribution

### **AGENCY OBJECTIVE 1.3: Basic education expanded and improved to increase human productive capacity**

#### **Indicators:**

1. Primary enrolment ratios
2. Primary completion rates
3. Number of years to produce an "x" grade graduate

## Proposed Indicators for Democracy and Governance Goal and Objectives<sup>1</sup>

### **AGENCY GOAL 2: Sustainable democracies built**

#### Indicator:

1. Civil Liberties and Political Rights as defined in the Freedom House Index.

Measures: Freedom House

### **AGENCY OBJECTIVE 2.1: Strengthen rule of law and respect for human rights**

#### Indicators:

1. Modified Civil Liberties Index based on the following questions
  - a. Are there free and independent media, literature and other cultural expressions?
  - b. Is there open public discussion and free private discussion?
  - c. Is there freedom of assembly and demonstration?
  - d. Is there freedom of political or quasi-political organization?
  - e. Are citizens equal under the law, with access to an independent, nondiscriminatory judiciary, and are they respected by the security forces?
  - f. Is there protection from political terror, and from unjustified imprisonment, exile or torture, whether by groups that support or oppose the system, and freedom from war or insurgency situations?

Measures: Freedom House, disaggregation of the Civil Liberties Index

### **AGENCY OBJECTIVE 2.2: More genuine & competitive political processes**

#### Indicators:

1. Modified Political Rights Index based on the following questions:
  - a. Is the head of state and/or government or other chief authority elected through free and fair elections?
  - b. Are the legislative representatives elected through free and fair elections?

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Freedom House publishes an annual survey of Political Rights and Civil Liberties. These two indices consist of 22 questions. The indicators listed under each Agency DG goal and objective consist of some combination of the 22 questions identified in the Freedom House indices.

- c.. Are there fair electoral laws, equal campaigning opportunities, fair polling and honest tabulations of ballots?
- d. Are the voters able to endow their freely elected representatives with real power?
- e. Do the people have the right to organize in different political parties or other competitive political groupings of their choice, and is the system open to the rise and fall of these competing parties or groupings?
- f. Is there a significant opposition vote, *de facto* opposition power, and a realistic possibility for the opposition to increase its support or gain power through elections?
- g. Does the county have the right of self-determination, and are its citizens free from domination by the military, foreign powers, totalitarian parties, religious hierarchies, economic oligarchies or any other powerful group?
- h. Do cultural, ethnic, religious and other minority groups have reasonable self-determination, self-government, autonomy or participation through informal consensus in the decision-making process?
- i. Is political power decentralized, allowing for local regional and/or provincial or state administrations led by their freely elected officials? [optional].

Measures: Freedom House's Political Rights Index

### **AGENCY OBJECTIVE 2.3: Increased development of politically active civil society**

Indicators:

1. Modified Civil Liberties Index based upon the following questions:
  - a. Are there free and independent media, literature and other cultural expressions?
  - b. Is there open public discussion and free private discussion?
  - c. Is there freedom of assembly and demonstration?
  - d. Is there freedom of political or quasi-political organization?
  - e. Are there free trade unions and peasant organization or equivalents, and is there effective collective bargaining?
  - f. Are there free professional and other private organizations?
  - g. Are there free businesses or cooperatives?
  - h. Are there free religious institutions and free private and public religious expressions?
  - i. Are there personal social freedoms, which include such aspects as gender equality, property rights, freedom of movement, choice of residence, and choice of marriage and size of family?
  - j. Is there equality of opportunity, which includes freedom from exploitation by or dependency on landlords, employers, union leaders, bureaucrats or any other type of denigrating obstacle to a share of legitimate economic gains?

Measures: Freedom House, disaggregation of the Civil Liberties Index

**AGENCY OBJECTIVE 2.4: More transparent and accountable government institutions**

**Indicator:**

1. Modified Governance Index based upon the following questions:

- a. Is there freedom from extreme government indifference and corruption?
- b. Are all costs and revenues related to major public investments included in the national budget?
- c. Does the military report to and fall under the ultimate control of the civilian government?
- d. Is the entire military budget included in the national budget?
- e. Is there a published legislative agenda?
- f. Do ministries publish their program and operating budgets?
- g. Do public employees receive their salaries on a regular basis?
- h. Are there uniform civil service regulations for the administrative branch?
- i. Do local government control expenditures under their own budget?

**Measures:** Freedom House, disaggregation of the Civil Liberties Index and in-house analysis.



## **Proposed Indicators for Population/Health Goal and Objectives**

### **AGENCY GOAL 3: Stabilize World's Population and Protect Human Health in a Sustainable Fashion**

#### **Indicators:**

1. Total world's population
2. World's population growth rate
3. Life expectancy of women/men in the developing world
4. # of people infected with HIV
5. Summary index of PHN need

### **AGENCY OBJECTIVE 3.1: Sustainable Reduction in Unintended Pregnancies**

#### **Indicators:**

1. # of Unintended births
2. Total fertility rate
3. Wanted fertility rate

### **AGENCY OBJECTIVE 3.2: Sustainable Reduction in Child Mortality**

#### **Indicators:**

1. # of Under five child deaths
2. # of Infant deaths
3. Under five child mortality rate
4. Infant mortality rate

### **AGENCY OBJECTIVE 3.3: Sustainable Reduction in Maternal Mortality**

#### **Indicators:**

1. # of Maternal deaths
2. Maternal mortality ratio

### **AGENCY OBJECTIVE 3.4: Sustainable Reduction in STI/HIV Transmission Among Key Populations**

#### **Indicators:**

1. # of people infected with STIs
2. Selected STI Prevalence rates

## Proposed Indicators for Environment Goal and Objectives

### **AGENCY GOAL 4: Environment Managed for Long-Term Sustainability**

Indicator: GDP adjusted for environmental degradation

#### **AGENCY OBJECTIVE 4.1: Biological diversity conserved**

Indicators:

1. Area of remaining natural habitats\*
2. Area under official protection

#### **AGENCY OBJECTIVE 4.2: Global climate change threat reduced**

Indicators:

1. Greenhouse gas (GHG) emissions from energy and industrial sources, expressed as CO2 equivalents
2. Net GHG emissions from land use changes, as CO2 equivalents
3. Country capacity to adapt to climate change\*

#### **AGENCY OBJECTIVE 4.3: Sustainable urbanization promoted and pollution prevented**

Indicators:

1. Access to safe drinking water
2. Access to sanitation
3. Access to shelter
4. Emissions of sulfur and nitrogen oxides
5. Concentrations of suspended particulate matter
6. Incidence of acute respiratory illness
7. Deaths from water-borne diseases
8. Percent of gasoline sold which is leaded
9. Industry adherence to int'l environmental management standards (ISO14000)\*

#### **AGENCY OBJECTIVE 4.4: Increased provision of environmentally sound energy services**

Indicators:

1. Energy intensity (total commercial energy consumption/GDP)

2. Share of electricity generation from renewable sources (solar, wind, geothermal, hydro, biomass)

**AGENCY OBJECTIVE 4.5: Sustainable natural resource management**

Indicators:

1. Land use changes (cropland, permanent pasture, forest and woodland, etc.)
2. Water withdrawals as a percentage of water availability
3. Area under sustainable agricultural practices\*
4. Area of community-managed forests, fresh water and marine resources\*

\* New indicator proposed; requires further definition and data collection.

## **Proposed Indicators for Humanitarian Assistance Goal and Objectives**

### **AGENCY GOAL 5: Lives Saved, Suffering Reduced, and Development Potential Reinforced**

#### **Indicators:**

1. Deaths averted
2. Property loss avoided
3. Increased indigenous capacity to deal with crises

### **AGENCY OBJECTIVE 5.1: Potential Impact of Humanitarian Crises Reduced**

#### **Indicator:**

Significant actions/investments in crisis prevention/mitigation in crisis prone countries

### **AGENCY OBJECTIVE 5.2: Urgent Needs Met in Crisis Situations**

#### **Indicator:**

Percent of vulnerable population with emergency needs met.

### **AGENCY OBJECTIVE 5.3: Security Established and Basic Institutions Functioning to Meet Critical Needs and Protect Basic Rights**

#### **Indicator:**

Progress toward pre-determined, crisis-specific, exit criteria.

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## **Section 4**

# **New Management Systems and the MRS**

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Operation's Results Tracking

