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Evaluation of USAID Performance Measurement System

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10/26/2013

Executive Summary

Performance Measurement systems are designed with the intentions of minimizing inefficiencies and improving performance. Focused on results this system brings in accountability, transparency, and effectiveness in federal programs such that no doubt can be cast on whether federal funds are being used most efficiently. Implementing this system for an agency like the United States' Agency for International Development (USAID) is especially challenging because most of USAID's activities and programs are administered through partnering with other development agencies spread across the world as well as a strong partnerships with other federal agencies. The nature of the organization's operations is such that the agency collaborates with multiple partners who at times have competing interests. In the midst of this chaotic and complicated arrangement, efficiency can be undermined quite easily. It is hence imperative for USAID to implement a performance measurement system that can effectively track its progress and ensure that the agency is abiding by its mission and core guiding principles.

On average the budget of USAID and Department of State is about $30 billion dollars. This sum is used to rescue children in conflict-driven zones, to prevent gender-based violence across the world, to fight against transitional crime, to provide health and education aid across the developing regions and much, much more. All this is done because the core principle guiding the U.S. Department of State and USAID is that spreading prosperity and democracy across the partnering nations makes the world a better place for Americans. Having lived in a developing country I have had first-hand experience with programs administered by USAID and I have seen how these programs positively impact the lives of those in need. The value of having a performance measurement system that is focused on improving results of these very programs is indispensable.

The current performance measurement system of USAID needs some adjustments and revisions so that it appropriately reflects both the range and reach of the programs the agency administers. In this report, I will analyze the agency's Strategic Plan, Annual Performance Report and Annual Performance Plan to evaluate the effectiveness and clarity of the performance measurement system currently in place. I will describe the current state of the performance system, highlight some of the key problems and challenges and conclude with some key recommendations that can help transform that performance measurement system of USAID to become an invaluable asset for agency leaders such as you, staff members and all other partnering agencies. Implementations of these recommendations will assist in proving to the American public how accountable and effective USAID is and how committed it is to finding better ways of improving performance. Implementing these changes will also aid in the agency's goal of re-establishing itself as the world's premier development agency. Becoming the world's leading development agency cannot be a tough challenge if USAID exhibits quantitative and qualitative results for the programs administered, is transparent about failures and adapts its strategies to improve performance.

Performance Measurement is a process that allows an organization to maximize efficiency and broaden the impact of their programs through measuring results. If implemented and used correctly this system sets an organization on a self-sustaining path to growth through self-reform. The simple act of setting goals, defining measurement indicators and releasing regular progress reports on performance outcomes directly engages all members of an organization—especially leaders—in assessing the effectiveness of the programs undertaken. It allows the members to recognize what is and what is not working and provides the opportunity to redevelop methods to address problem areas. A highly effective tool, this system is not fit for or readily applicable to all government agencies alike. The Department of Transportation and Department of Education might find the process more useful as each of their respective outcomes can be measured over a short-term. For example, decreasing the number of traffic accidents on freeways or increasing school attendance among low-income children enrolled in urban high schools are goals, which can be targeted through various combination of means (inputs and outputs). The results of the actions undertaken can also be measured over the course of a short-term on a week-to-week basis or a month-to-month or annual. For these agencies, outcomes of their programs are more easily quantifiable and measureable and as such the performance measurement process is invaluable in allowing them to measure and analyze their progress to find what has worked and change what has not. However, implementing this process for an agency like the United States' Agency for International Development (USAID), which is embedded within the U.S. Department of State, can be quite trivial. The main reason that is so is that the goals of USAID are spanned over a long-term and the process of quantifying and measuring them is especially challenging. Moreover, much of the programs administered by the USAID have a wide range of external factors that impact final outcomes and as such drawing causal links for effective and ineffective performance can be a very nebulous process.

Enacted in 1993, the Government Performance Results Act (GPRA) was intended to increase efficacy and accountability in the Federal Agencies by requiring them to set program goals through a Strategic Plan, measure their performance in the administered programs through Annual Performance Plan, and report their performance outcomes in an Annual Performance Plan. Together these three documents are meant to guide agencies into laying out their major functions through outlining specific goals and the methods and factors that could impact their desired outcome, establishing a system that allows them to quantify and measure their achievements, highlight key operational and performance indicators that are required to meet goals and lastly to disclose their

progress. The subsequent changes to this act were brought on by the GPRA Modernization Act of 2010, which mandates that agencies publish their key performance documents in an electronic format.

The analysis below uses the U.S. Department of State's Strategic Plan, Annual Performance Plan and Report to assess the value of agency's participation in the performance measurement process specifically in relation to the programs administered by USAID. In doing so, I will first outline the current state of system in place; second, I will evaluate the effectiveness of these reports by highlighting a few key problems and challenges that prevent the agency from increasing effectiveness and efficiency (the main objective of GPRA and GPRAMA); lastly, I will conclude with some key recommendations to assist the agency evaluate the value in participating in the set guideline.

Strategic Plan

The most recent Strategic Plan for the U.S. Department of State and USAID was last updated in 2007 under the leadership of former Secretary of State Condoleeza Rice and acting USAID Administrator Henrietta H. Fore. The document outlines the core values of both agencies as: loyalty to the United States and the American people, maintaining high ethical value and integrity, service, accountability, devotion to team work and providing excellent service, and diversity. These core value are seen as essential pillars that help the State Department and USAID uphold and achieve their mission outlined below:

> *"Advance Freedom for the benefit of the American People and the international community by helping build and sustain more democratic, secure and prosperous world composed of well-governed states that respond to the needs of their people, reduce widespread poverty and act responsibly within the international system."*

The Strategic Plan also outlines seven major goals for the agencies. The first five of these goals pertain to the goals relevant for USAID's mission; these goals in the order of significance are as follows:

1. Achieving peace and security—through targeting transitional crime, conflict prevention, mitigation and response, counterterrorism, homeland security, weapons of mass destruction and security cooperation and security sector reform

2. Governing justly and democratically—through promoting rule of law and human rights, good governance, civil society, and political competition and consensus building
3. Investing in people—through a focus on health, education and social services and protection for the vulnerable populations
4. Promoting economic growth and prosperity—through private markets, trade and investment, energy security, agriculture and environment
5. Providing humanitarian assistance—by way of protection, assistance and solutions, disaster prevention and mitigation and orderly and humane means for migration management

This 65-page document details the rationale behind selecting these goals to a great degree. It also provides a comprehensive list of all other cross-cutting agencies that have a critical role in achieving each of these respective goals. Additionally, the document details all key external factors that can significantly impact achievement of these goals. The analysis here onwards will focus on the strategic goal of providing humanitarian assistance as an example to analyze the performance measurement process for USAID.

Problems

➢ The U.S. Department of State and USAID fall under the purview of the acting Secretary of State and acting Administrator.   Since the last update of the Strategic Plan the country went through an administration shift, which brought Hillary Clinton into a leadership role as Secretary of State from 2009-2013 and John Kerry on 2013. The current Administrator for USAID assumed office in January of 2010. Yet the Strategic Plan remains outdated and fails to outline the impact these new leaders have had on the agencies performance goals and direction.
➢ The GPRA Act of 1993 requires federal agencies to incorporate six key components in their strategic plan, one of these key components requires them to provide a description of how the set goals are to be achieved. This component requires that the agency provide all resource requirements for each goal, including human capital, operational process, skills and technology to name a few. The agency Strategic Plan fails to provide a description of any of these required inputs.
➢ With respect to the goal of providing humanitarian assistance the agency's strategic priorities lie in providing protection, assistance and solutions through focusing on civilians that have been victims of political conflict or natural disaster. The strategic plan fails to mention any particular input requirements for this goal; for instance, what amount of capital (human or financial) will be spent towards this goal, what specific programs will be administered, how will the outcome and progress towards this goal will be measured? Listing any and all specific program inputs brings in the element of transparency in the performance measurement process. Similarly, with respect to providing food aid and assistance, the agency does not mention any

specific inputs or outputs for achieving this goal: how does the agency plan on distributing food aid amongst those in need, or what delivery strategies does the agency plans to implement? The agency must list not just the goal but set a realistic and meaningful target and provide specific details on the means that will be used to achieve this target.

➢ USAID's strategic plan lacks a description of the elements that link the set goals to the desired outcome. Specifically listing inputs and the process the agency intends to implement will allow its leadership to narrow their focus on factors that are within the realm of their control and as such factors that increase efficiency.

➢ In 2010 USAID and U.S. Department of State released a Quadrennial Diplomacy and Development Report (QDDR) which is intended to serve as a temporary strategic plan for both the agencies. This report resembles more of a campaign proposal than a strategic plan with key goals. The main focus of this 217-page report is pushing a reform based on "Leading through Civilians." It advocates for increasing civilian manpower within USAID and the Department of State to increase effectiveness and accountability of the agencies' initiatives. Compared to the joint strategic plan, this document is three times as lengthy and comparatively generalized. The critical problem with this report is the fact that the agencies plan to use this report to base their next strategic plan on which will not lead to fixing any of the lack of specificity issues both of the reports contain.

Annual Performance Report and Annual Performance Plan

The fiscal year 2011 Performance Report and fiscal year 2013 performance plan for USAID and U.S. Department of State in accordance with the requirements of the GPRA Modernization Act of 2010 provides a revised list of their goals. This revision is implemented to better accommodate the requirements of GPRAMA to the existing goals for the agencies. An example of a few changes implemented include:

Old Strategic Goal	New
1) Achieving Peace and Security	1) Counter threats to the United States and the international order and advance civilian security around the world
	2) Effectively manage transition in the frontline states
5) Providing Humanitarian Assistance	4) Providing Humanitarian Assistance and support disaster mitigation

The revision as shown above still remains to bring specificity into defining the scope of

each goal. Furthermore, to satisfy the GPRAMA requirements the agencies have classified four of their goals as *agency priority goals*, and categorized five of the goals as *high priority goals*. The strategic goal of providing humanitarian assistance is neither classified as agency priority or high priority goal.

The annual performance plan and report provides 11 measurement indicators for providing humanitarian assistance. Of these, three indicators are reported to have been below target, five are categorized as above target and the remaining three are reported as on target for fiscal year 2011. The agency spent about 4 billion dollars, about 12% of their annual budget, on these eleven indicators. A detailed breakdown of funds spent towards each of these indicators is also provided later in the report. An example of one of these indicators in listed below:

STRATEGIC GOAL FOUR								
Program Area: Protection, Assistance and Solutions								
Performance Indicator: Percent of planned emergency food aid beneficiaries reached with U.S. assistance								
FY 2007 Results	FY 2008 Results	FY 2009 Results	FY 2010 Results	FY 2011 Target	FY 2011 Results	FY 2011 Rating	FY 2012 Target	FY 2013 Target
86%	92.0%	93.0%	93.0%	93.0%	93.0%	On Target	93.0%	93.0%
Data Source: USAID's Office of Food for Peace (FFP) Summary Request and Beneficiary Tracking Table.								
Data Quality: Data quality assessments (DQAs) are not required for emergency programs, but Food for Peace nonetheless conducts them as a development best practice. DQAs are done on the data from the previous fiscal year, so FFP's next DQA will be done in FY 2011 drawing on FY 2010 data.								

Problems

> There are several critical issues with USAID and Department of State's Annual Performance Plan and Report. The report includes revision of new strategic goals and further categorization of each of these into high priority and agency priority goals. However, when reporting the measurement outcomes for these goals the data is not categorized in the same respect. Classifying goals into high priority or agency priority goals can be affective as long as this classification is carried out throughout the report. At the current state these classifications are simply mentioned in the report and is absent in the remainder of the document. This causes the report to be incredibly unclear and confusing to anyone analyzing.

> Introduction of revised Strategic goals through an annual performance report makes it difficult to connect the performance measurement outcomes reported in the APR/APP to the goals laid out in the strategic plan or QDDR. The lack of linkage between these reports primary shows lack of transparency in the program operations.

> The annual performance plan and report lists all outputs of the agency and provides information on financial input, but does not provide specific human capital inputs for these goals. Using the performance indicator for food assistance listed in the previous section we can see that the data is measured as

a percentage of target goals. From 2009 to 2011 the performance measurement figure has been steady at 93% and the future goal for 2013 is also set to be 93%. There is no clear explanation for why this figure was chosen to be the target. Was the original target 100% and over the years it was lowered it to 93% to express the results as on target? How is the baseline figure decided upon and what can the agency do to improve the performance in increasing this figure? Similar problem persists with the other 10 indicators listed.

➢ There are no explanations provided for indicators that are reported to be below target. For example, performance indicator number three for the goal of providing humanitarian disasters states:

"Percentage of USG-funded NGO or other international organization projects that include activities or service designed to reduce specific risks or harm to vulnerable populations"

This indicator is reported as below target for FY2011. There is no baseline figure provided as this indicator measures the performance of programs introduced in 2011. The indicator though it is not clear from its broad and general description is measuring USAID's programs that protect vulnerable children in over 19 countries impacted by conflicts and natural disasters through supporting programs led by other NGOs and development agencies. Exactly how much financial support was vested towards this indicator remains unknown. Furthermore, across those 19 countries there must be a difference of results. Aggregating the data for all of them and reporting it as a single figure may be misleading and uninformative. Reporting the data for each country can be useful to compare the performance of the programs across countries and can be critical in identifying which countries are not doing well and what actions can be taken to help improve the programs performance in those areas.

Recommendations

Performance measurement systems serves two great purposes: 1) transparency and accountability within agencies activities to ensure the concerned American citizens that their tax dollars are being spent effectively and with integrity; 2) provide the agency heads with a system to evaluate their progress and take actions to improve their performance year to year (or deadline to deadline). Any agency should keep both of these points in mind when laying the foundations of their performance measurement system. Only then, can the system be effective enough to serve a meaningful purpose. Lacking these on the other hand turns the performance measurement system into
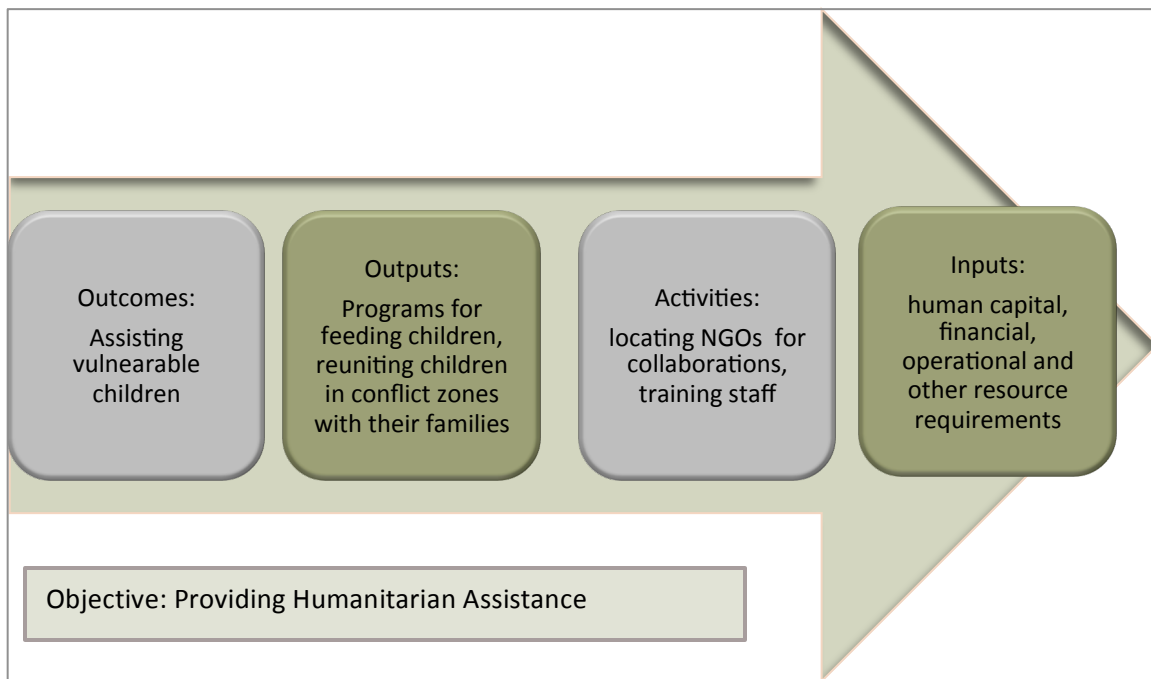
another bureaucratic reporting process that simply has to be completed for the sake of federal mandate. USAID's existing performance measurement system is sound with respect to having all its key features, but with a few key revisions it can be improved to be valuable assets to not just the Secretary of State and Administrator but to all agency employees. My key recommendations for USAID are laid out below:

Revision of the Mission Statement:

➢ The existing mission statement of the organization is broad and generalized and lacks clear links to the agency goals. The mission should be revised to incorporate key goals, such as providing humanitarian aid to those in need, effectively managing transitions in the frontline states. Incorporating action-oriented phrases in the mission statement sets all members of the organization to an outcome centered mind frame. A mission statement should directly be able to answer what the organization purpose is and specificity becomes key in answering this question. The goal for USAID should be to craft a statement to which each of the agency staff members can directly relate to, because it incorporates a direct link to each of their pertaining duties.

Strategic Plan:

➢ An agency's strategic plan is a valuable asset that allows such agency to communicate visions for their future to both internal and external audience. For most other agencies these external audience are members of congress and the general American public; for USAID, however, this list also includes a wide range of partnering agencies abroad who receive funding from the agency. These partnering agencies and the general public should not have to read a 220-page text heavy report to gain insight into the agencies' vision for the future. QDDR published by the Department of State cannot replace the need for a concise and comprehensive Strategic Plan. The agency should update the outdated Strategic Plan with a new one that better aligns with their newly revised goals. Agency priorities, human capital, operational and other resource requirements for each goal should be listed in the plan. Additionally, specific examples of the types of outputs that will be produced by the agency to achieve a particular goal should be incorporated in the report. Below listed is an example of how this process can be broken down for USAID's objective of providing humanitarian Aid:

| Outcomes: Assisting vulnerable children | Outputs: Programs for feeding children, reuniting children in conflict zones with their families | Activities: locating NGOs for collaborations, training staff | Inputs: human capital, financial, operational and other resource requirements |

Objective: Providing Humanitarian Assistance

➤ Performing the above listed exercise for each of goal and incorporating these elements in the strategic plan will allow USAID to construct a sound frame work on which the performance indicators can be clearly mapped and tracked. Specificity is key in developing a strategic plan that is both transparent and effective. Moreover, being specific allows for all partnering organization, leadership and staff of USAID to clearly know and understand the agency's mission and vision for the future.

Annual Performance Plan and Annual Performance Report:

➤ This report in its existing state does not align well with the strategic plan for the agency. Hence, it is imperative for USAID to revise the strategic plan before making any adjustments to the APR/APP. This precursory step will provide the agency with the tools to select indicators that better track their performance on a given program administered.

➤ USAID has classified each of their seven goals into high-priority and agency priority. However, when reporting measurement indicators this classification is not applied throughout the report. Simple reorganization measurements indicators separated by high-priority and agency priority will serve the great purpose of streamlining the reporting in accordance with the stated objectives.

➤ The current reports provide measurements for each indicator in an aggregated form. This method is problematic for USAID because it does not clearly flag opportunities for improvement. For example one of the performance indicators for the goal of providing humanitarian assistance aggregated the data for all U.S. funded NGOs or international organization focused on reducing specific harm or risks to vulnerable populations. The reported figure of 79% measures the

performance of programs carried out in 19 countries and was below USAID's target level. Surely, some variations exist between each of these countries that cause their performance to be off target. Not reporting the disaggregated data for each of these countries conceals which countries and programs are in greater need for improvement.

➢ APR/APP should include specific reasons for the failure of each reported indicators and actions the agency plans to take to improve these indicators. At the current state these explanations are not provided. Moreover, specific rationale for why each outcome target was selected is critical for analyzing the performance of programs administered. For the indicators discussed above the target was set for 80%. USAID should specify why this figure was selected and why do they chose to remain committed to this figure for the upcoming year. Future projections for target levels of each indicator should be improving and not remaining constant. If the agency cannot increase these targets then a clear explanation should be provided.

Conclusion

Implementing the above mentioned recommendations will set USAID on a path to re-establishing itself as the world's premier development agency through performance measurement. It will ensure that each dollar invested is producing the maximum impact possible. Specificity in all areas of performance measurement can become and invaluable tool for all agency members and for the parties the agency is accountable to. Efficiency and effectiveness can never be driven out of ambiguous reports.

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