PERFORMANCE MONITORING & EVALUATION

TIPS

BASELINES AND TARGETS

ABOUT TIPS

These TIPS provide practical advice and suggestions to USAID managers on issues related to performance monitoring and evaluation. This publication is a supplemental reference to the Automated Directive System (ADS) Chapter 203.

INTRODUCTION

The achievement of planned results is at the heart of USAID's performance management system. In order to understand where we, as project managers, are going, we need to understand where we have been. Establishing quality baselines and setting ambitious, yet achievable, targets are essential for the successful management of foreign assistance programs.

WHAT ARE BASELINES AND TARGETS?

A baseline is the value of a performance indicator before the implementation of projects or activities, while a target is the specific, planned level of result to be achieved within an explicit timeframe (see ADS 203.3.4.5).

Targets are set for indicators at the Assistance Objective (AO), Intermediate Result (IR), and output levels.

WHY ARE BASELINES IMPORTANT?

Baselines help managers determine progress in achieving outputs and outcomes. They also help identify the extent to which change has happened at each level of result. USAID ADS 203.3.3 requires a PMP for each AO. Program managers should provide baseline and target values for every indicator in the PMP.

Lack of baseline data not only presents challenges for management decision-making purposes, but also hinders evaluation efforts. For example, it is generally not possible to conduct a rigorous impact evaluation without solid baseline data (see TIPS 19: Rigorous Impact Evaluation).

ESTABLISHING THE BASELINE

Four common scenarios provide the context for establishing baseline data:

1. BASELINE IS ESTABLISHED

If baseline data exist prior to the start of a project or activity, additional data collected over the life of the project must be collected in a consistent manner in order to facilitate comparisons. For example, consider *the drop-out rate for girls 16 and under*. If baseline data are obtained from the Ministry of Education, the project should continue to collect these data from this same source, ensuring that the

data collection methodology remains the same.

Data may also be obtained from a prior implementing partner's project, provided that the data collection protocols, instruments, and scoring procedures can be replicated. For example, a policy index might be used to measure progress of legislation (see TIPS 14: Monitoring the Policy Reform Process). If these activities become a part of a new project, program managers should consider the benefit of using the same instrument.

In cases where baseline data exist from primary or secondary sources, it is important that the data meet USAID's data quality standards for validity, reliability, precision, integrity, and timeliness (see TIPS 12: Data Quality Standards).

2. BASELINES MUST BE COLLECTED

In cases where there are no existing data with which to establish a baseline, USAID and/or its implementing partners will have to collect it if the required data are not already being collected by, for example, a host-country government, an international organization, or another donor. Primary data collection can be expensive, particularly if data are collected through a formal survey or

Participation of key stakeholders in setting targets helps establish a common understanding about what the project will accomplish and when. USAID staff, implementing partners, host country governments, other donors, and civil society partners, among others, should attend working sessions at the outset of program implementation to review baseline data and other information to set interim and final targets.

a new index. Program managers should consider this cost and incorporate it into program or project planning.

Ideally, data should be collected prior to the initiation of the program. If this is not feasible, baselines should be collected as soon as possible. For example, an implementing partner may collect perception data on the level of corruption in targeted municipalities for USAID's PMP sixty days after approval of a project's work plan; in another case, a score on an advocacy capacity index may not be collected until Community Service Organizations (CSOs) are awarded grants. If baseline data cannot be collected until later in the course of implementing an activity, the AO Team should document when and how the baseline data will be collected (ADS 203.3.4.5).

3. BASELINES ARE ESTABLISHED ON A ROLLING BASIS

In some cases, it is possible to collect baseline data on a rolling basis as implementation proceeds. For example, imagine that a health project is being rolled out sequentially across three provinces over a three-year period. Data collected in the first province will serve as baseline for Year One; data collected in the second province will serve as baseline for the second province in Year Two; and data collected in the third province will serve as baseline for that province in Year Three.

4. BASELINE IS ZERO

For some indicators, baselines will be zero. For example, if a new program focuses on building the teaching skills of teachers, the baseline for the indicator "the number of teachers trained" is zero. Similarly, if an output of a new

The achievement of results requires the joint action of many stakeholders. Manageable interest means we, as program managers, have sufficient reason to believe that the achievement of our planned results can be significantly influenced by interventions of USAID's program and staff resources. When setting targets, take into account the achievement of how other actors will affect outcomes and what it means for USAID to achieve success.

program is the number of grants awarded, the baseline is zero.

WHY ARE TARGETS IMPORTANT?

Beyond meeting USAID requirements, performance targets are important for several reasons. They help justify a program by describing in concrete terms what USAID's investment will produce.

Targets orient stakeholders to the tasks to be accomplished and motivate individuals involved in a program to do their best to ensure the targets are met. Targets also help to establish clear expectations for USAID staff, implementing partners, and key stakeholders. Once a program is underway, they serve as the guideposts for monitoring whether progress is being made on schedule and at the levels originally envisioned. Lastly, targets promote transparency and accountability by making available information on whether results have been achieved or not over time.

A natural tension exists between the need to set realistic targets and the value, from a motivational perspective, of setting targets ambitious enough to ensure that staff and stakeholders will stretch to meet them; when motivated, people can often achieve more than they

imagine. Targets that are easily achievable are not useful for management and reporting purposes since they are, in essence, *pro forma*. AO Teams should plan ahead for the analysis and interpretation of actual data against their performance targets (ADS 203.3.4.5).

USING TARGETS FOR PERFORMANCE MANAGEMENT IN A LEARNING ORGANIZATION

Targets can be important tools for effective program management. However, the extent to which targets are or are not met should not be the only criterion for judging the success or failure of a program. Targets are essentially flags for managers; if the targets are wildly exceeded or well-below expectations, the program manager should ask, "Why?"

Consider an economic growth project. If a country experiences an unanticipated downturn in its economy, the underlying assumptions upon which that project was designed may be affected. If the project does not meet targets, then it is important for managers to focus on understanding 1) why targets were not met, and 2) whether the project can be adjusted to allow for an effective response to changed circumstances. In this scenario, program managers may need to reexamine the focus or priorities of the project and make related adjustments in indicators and/or targets.

Senior managers, staff, and implementing partners should review performance information and targets as part of on-going project management responsibilities and in Portfolio Reviews (see Figure 1.)

TYPES OF TARGETS

FINAL AND INTERIM TARGETS

A *final* target is the planned value of a performance indicator at the end of the AO or project. For AOs, the final targets are often set three to five years away, while for IRs they are often set one to three years away. *Interim* targets should be set for the key points of time in between the baseline and final target in cases where change is expected and data can be collected.

QUANTITATIVE AND QUALITATIVE TARGETS

Targets may be either quantitative or qualitative, depending on the nature of the associated indicator. Targets for *quantitative indicators* are numerical, whereas targets and for *qualitative indicators* are descriptive. To facilitate comparison of baselines, targets, and performance data for descriptive data, and to maintain data quality, some indicators convert qualitative data into a quantitative measure (see Figure 2). Nonetheless, baseline and target data for quantitative and

qualitative indicators must be collected using the same instrument so that change can be captured and progress towards results measured accurately (see TIPS 6: Selecting Performance Indicators).

EXPRESSING TARGETS

As with performance indicators, targets can be expressed differently. There are several possible ways to structure targets to answer questions about the quantity of expected change:

- Absolute level of achievement – e.g., 75% of all trainees obtained jobs by the end of the program or 7,000 people were employed by the end of the program.

- Change in level of achievement – e.g., math test scores for students in grade nine increased by 10% in Year One, or math test scores for students in grade nine increased

by three points in Year One. Yields per hectare under improved management practices increased by 25% or yields per hectare increased by 100 bushels from 2010 to 2013.

- Change in relation to the scale of the problem – e.g., 35% of total births in target area attended by skilled health personnel by the end of year two, or the proportion of households with access to reliable potable water increased by 50% by 2013.

- Creation or provision of something new – e.g., 4,000 doses of tetanus vaccine distributed in Year One, or a law permitting non-government organizations to generate income is passed by 2012.

Other targets may be concerned with the quality of expected results. Such targets can relate to indicators measuring customer satisfaction, public opinion, responsiveness rates, enrollment rates, complaints, or failure rates. For example, the average customer satisfaction score for registration of a business license (based on a seven-point scale) increases to six by the end of the program, or the percentage of mothers who return six months after delivery for postnatal care increases to 20% by 2011.

Targets relating to cost efficiency or producing outcomes at the least expense are typically measured in terms of unit costs. Examples of such targets might include: cost of providing a couple-year-of-protection is reduced to $10 by 1999 or per-student costs of a training program are reduced by 20% between 2010 and 2013.

DISAGGREGATING TARGETS

When a program's progress is measured in terms of its effects on different segments of the population, disaggregated targets can provide USAID with nuanced information that may not be obvious in the aggregate. For example, a program may seek to increase the number of micro-enterprise loans received by businesses in select rural provinces. By disaggregating targets, program inputs can be directed to reach a particular target group.

Targets can be disaggregated along a number of dimensions including gender, location, income level, occupation, administration level (e.g., national vs. local), and social groups.

For USAID programs, performance management systems must include gender-sensitive indicators and sex-disaggregated data when the technical analyses supporting the AO or project to be undertaken demonstrate that:

- The different roles and status of women and men affect the activities differently; and

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

A gender-sensitive indicator can be defined as an indicator that captures gender-related changes in society over time. For example, a program may focus on increasing enrollment of children in secondary education. Program managers may not only want to look at increasing enrollment rates, but also at the gap between girls and boys. One way to measure performance would be to

FIGURE 4. AN EXAMPLE OF DISAGGREGATED TARGETS FOR GENDER SENSITIVE INDICATORS

Indicator: Number of children graduating from secondary school; percent gap between boys and girls. B=boys; G=girls

Year	Planned	Actual
2010 (baseline)		145 115B; 30G 58.6%
2011	175 120B; 55G 50.0%	160 120 B; 40G 56.3%
2012	200 120B; 80G 25.0%	200 130 B; 70G 30.0%
2013	200 115B; 92G	205 110B; 95G

disaggregate the total number of girls and boys attending school at the beginning and at the end of the school year (see Figure 4). Another indicator might look at the quality of the participation levels of girls vs. boys with a target of increasing the amount of time girls engage in classroom discussions by two hours per week.

Gender-sensitive indicators can use qualitative or quantitative methodologies to assess impact directly on beneficiaries. They can also be used to assess the differential impacts of policies, programs, or practices supported by USAID on women and men (ADS 201.3.4.3).

Program managers should think carefully about disaggregates prior to collecting baseline data and setting targets. Expanding the number of disaggregates can increase the time and costs associated with data collection and analysis.

SETTING TARGETS

Targets should be realistic, evidence-based, and ambitious. Setting meaningful targets provides staff, implementing partners, and stakeholders with benchmarks to document progress toward achieving results. Targets need to take into account program resources, the implementation period, and the development

hypothesis implicit in the results framework.

PROGRAM RESOURCES

The level of funding, human resources, material goods, and institutional capacity contribute to determining project outputs and affecting change at different levels of results and the AO. Increases or decreases in planned program resources should be considered when setting targets.

ASSISTANCE OBJECTIVES AND RESULTS FRAMEWORKS

Performance targets represent commitments that USAID AO Teams make about the level and timing of results to be achieved by a program. Determining targets is easier when objectives and indicators are within USAID's manageable interest. Where a result sits in the causal chain, critical assumptions, and other contributors to achievement of the AO will affect targets.

Other key considerations include:

1. Historical Trends: Perhaps even more important than examining a single baseline value, is understanding the underlying historical trend in the indicator value over time. What pattern of change has been evident in the past five to ten years on the performance indicator? Is there a trend, upward

or downward, that can be drawn from existing reports, records, or statistics? Trends are not always a straight line; there may be a period during which a program plateaus before improvements are seen (see Figure 5).

2. Expert Judgments: Another option is to solicit expert opinions as to what is possible or feasible with respect to a particular indicator and country setting. Experts should be knowledgeable about the program area as well as local conditions. Experts will be familiar with what is and what is not possible from a technical and practical standpoint – an important input for any target-setting exercise.

3. Research Findings: Similarly, reviewing development literature, especially research and evaluation findings, may help in choosing realistic targets. In some program areas, such as population and health, extensive research findings on development trends are already widely available and what is possible to achieve may be well-known. In other areas, such as democracy, research on performance indicators and trends may be scarce.

4. Stakeholder Expectations: While targets should be defined on the basis of an objective assessment of what can be accomplished given certain conditions and resources, it is useful to get input from stakeholders regarding what they want, need, and expect from USAID activities. What are the expectations of progress? Soliciting expectations may involve formal interviews, rapid appraisals, or informal conversations. Not only end users should be surveyed; intermediate actors (e.g., implementing agency staff) can be especially useful in developing realistic targets.

5. Achievement of Similar Programs: Benchmarking is the

FIGURE 5. PROGRESS IS NOT ALWAYS A STRAIGHT LINE

While it is easy to establish annual targets by picking an acceptable final performance level and dividing expected progress evenly in the years between, such straight-line thinking about progress is often inconsistent with the way development programs really work. More often than not, no real progress – in terms of measureable impacts or results – is evident during the start-up period. Then, in the first stage of implementation, which may take the form of a pilot test, some but not much progress is made, while the program team adjusts its approaches. During the final two or three years of the program, all of this early work comes to fruition. Progress leaps upward, and then rides a steady path at the end of the program period. If plotted on a graph, it would look like "stair steps," not a straight line

process of comparing or checking the progress of other similar programs. It may be useful to analyze progress of other USAID Missions or offices, or other development agencies and partners, to understand the rate of change that can be expected in similar circumstances.

APPROACHES FOR TARGET SETTING

There is no single best approach to use when setting targets; the process is an art and a science. Although much depends on available information, the experience and knowledge of AO Team members will add to the thinking behind performance target. Alternative approaches include the following:

1. Projecting a future trend, then adding the "valued added" by USAID activities. Probably the most rigorous and credible approach, this involves estimating the future trend without USAID's program, and then adding whatever gains can be expected as a result of USAID's efforts. This is no simple task, as projecting the future can be very tricky. The task is made somewhat easier if historical data are available and can be used to establish a trend line.

2. Establishing a final performance target for the end of the planning period, and then planning the progress from the baseline level. This approach involves deciding on the program's performance target for the final year, and then defining a path of progress for the years in between. Final targets may be judged on benchmarking techniques or on judgments of experts, program staff, customers, or partners about the expectations of what can be reasonably achieved within the planning period. When setting interim targets, remember that progress is not always a straight line. All targets, both final and interim, should be based on a careful analysis of what is realistic to achieve, given the stage of program implementation, resource availability, country conditions, technical constraints, etc.

3. Setting annual performance targets. Similar to the previous approach, judgments are made about what can be achieved each year, instead of starting with a final performance level and working backwards. In both cases, consider variations in performance, e.g., seasons and timing of activities and expected results.

DOCUMENT AND FILE

Typically, USAID project, baselines, targets, and actual data are kept in a data table for analysis either in the PMP, as a separate document, or electronically.

Furthermore, it is important to document in the PMP how targets were selected and why target values were chosen. Documentation serves as a future reference for:

- Explaining a target-setting methodology.
- Analyzing actual performance data.
- Setting targets in later years.

Responding to inquiries or audits