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## **Session 7**

# **Establishing Baselines and Setting Performance Targets**

### **By the end of this session, participants should:**

- Understand the definition of, and rationale for, performance indicator baselines and targets
- Feel comfortable with basic approaches for setting performance indicator targets

### What is a baseline?

- First measurement of an indicator
- Conducted prior to delivery of project outputs
- Subsequent measurements use the same method and data source (as specified in the PIRS)





## Question: What baseline information is required to measure these outcomes?

- Improve the skills and knowledge of community-based health workers
- Reduce the tax burden on SMEs
- Reduce the amount of time it takes to start a new business



## Timing of Baseline Data Collection

Level of CDCS Results Framework	Level of the Project LogFrame (typical)	When is the baseline required?
Goal	-	• Prior to <u>PMP approval</u>
DO	Project Goal	• Prior to <u>PMP approval</u>
IR	Project Purpose	• Prior to <u>PAD approval</u>
Sub-IR	Project Sub-Purpose	• Prior to <u>activity implementation</u>

## Who is responsible for collecting baseline data?

***USAID staff are responsible for ensuring that baseline data is collected!***



***However, baseline data can come from numerous sources, including:***

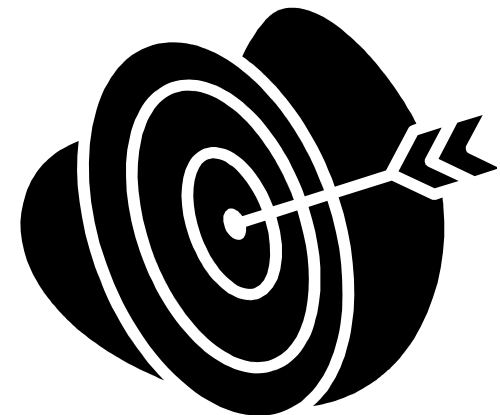
- **Primary data** contracted by USAID (e.g. surveys, assessments)
- **Secondary data sources** (e.g. World Bank, United Nations, host country government)
- **Implementing partners** as part of their award

## Baseline Scenarios

<b>Baseline is already established</b>	<ul style="list-style-type: none"> <li>• Common for outcome indicators from third party sources, often for higher-level results</li> <li>• For example, <i>National unemployment rate</i></li> </ul>
<b>Baseline must be collected</b>	<ul style="list-style-type: none"> <li>• Typical for project level outcome indicators</li> <li>• For example, <i>average Organizational Capacity Assessment Score among Civil Society Orgs</i></li> </ul>
<b>Baselines are established on rolling basis</b>	<ul style="list-style-type: none"> <li>• Typical for outcome indicators for projects that are rolled-out across multiple sites at different times</li> <li>• For example, <i>average score on pre-training test of knowledge of accounting rules.</i></li> </ul>
<b>Baseline is zero</b>	<ul style="list-style-type: none"> <li>• Typical for output indicators</li> <li>• For example, <i>Number of Farmers Trained on new technology.</i></li> </ul>

A **target** is the specific, planned level of result to be achieved within an explicit timeframe with a given level of resources.

**Example:** *5% increase in primary school graduation rate in 3 years*





## Why Set Performance Targets?

- Establish clear expectations
- Serve as the guideposts
- Promote transparency and accountability
- Help justify USAID's investments





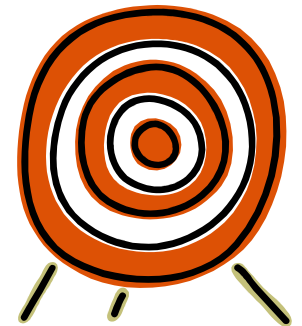
## Policy on Performance Targets (ADS 203.3.9)

- **Ambitious, yet achievable**
- **Document the rationale** behind your target setting in PIRS
- Targets should be expressed in the **same statistical unit** as the **baseline and actuals**.
- If you disaggregate your indicator data in reporting then you should also report disaggregated targets.
  - **Person-level indicators must have sex-disaggregated targets**

Level of CDCS Results Framework	Level of the Project LogFrame (typical)	When are targets set?
Goal	-	<ul style="list-style-type: none"> <li>• Prior to <u>PMP approval</u></li> </ul>
DO	Project Goal	<ul style="list-style-type: none"> <li>• Prior to <u>PMP approval</u></li> </ul>
IR	Project Purpose	<ul style="list-style-type: none"> <li>• Prior to <u>PAD approval</u></li> </ul>
Sub-IR	Project Sub-Purpose	<ul style="list-style-type: none"> <li>• Prior to <u>activity implementation</u></li> </ul>

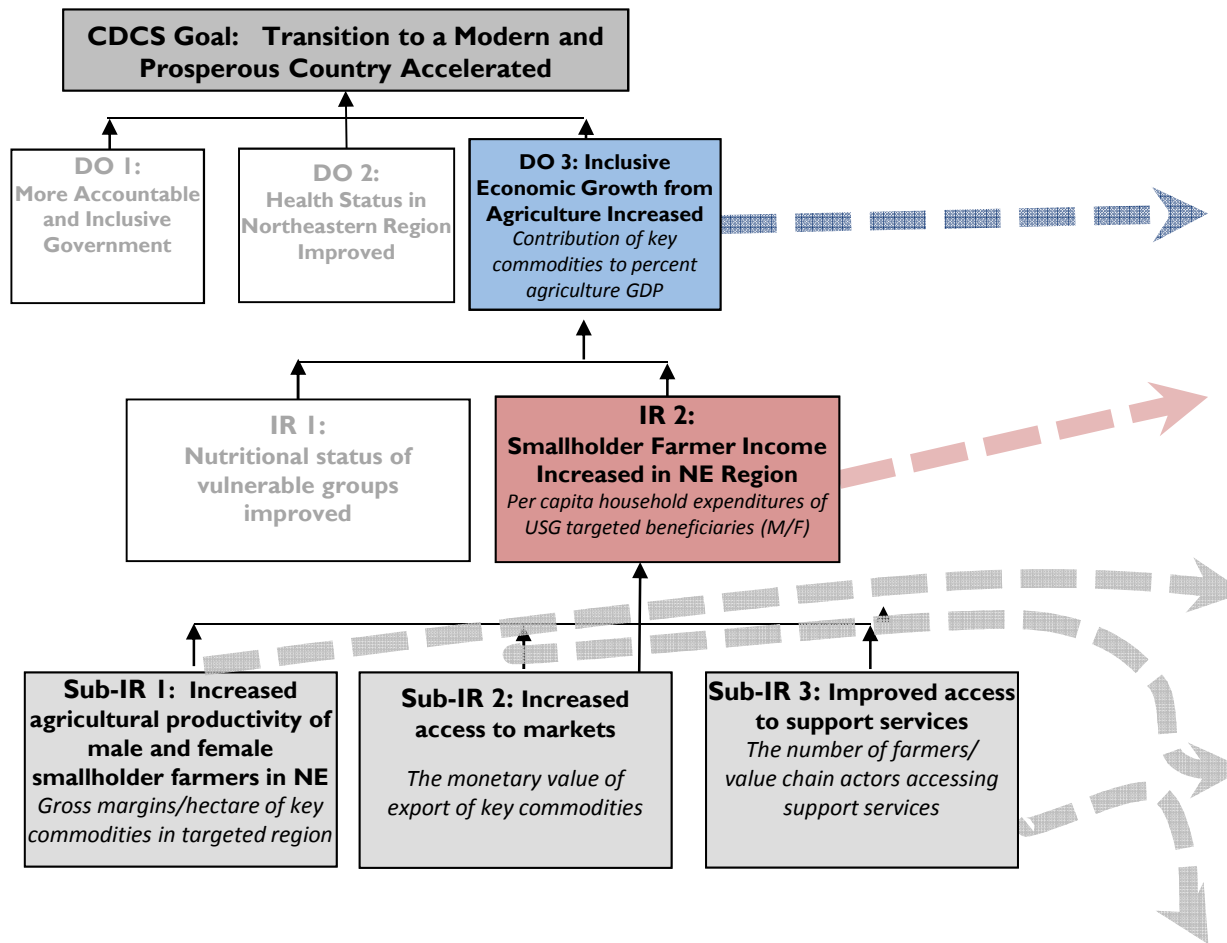
**PPR Requirement: Targets for current FY + 2 out years**

- 1) Know your intervention**
- 2) Know your context**
- 3) Don't set an indicator target in isolation**
  - Consider targets in relation to targets of other indicators up and down the results chain



# Targets along the results chain

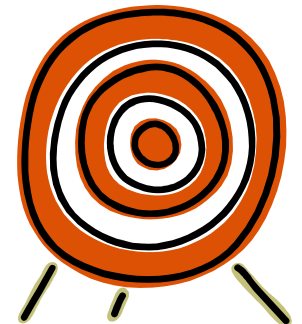
## CDCS Results Framework



## Project LogFrame: Agriculture Systems Project (IR2)

Narrative Summary	Performance Indicators
<b>Project Goal:</b> Inclusive economic growth from agriculture increased	<i>Contribution of key commodities to percent agriculture GDP</i>
<b>Project Purpose:</b> Smallholder farmer income increased in Northeastern region	<i>Per capita household expenditures of USG targeted beneficiaries (M/F)</i>
<b>Sub-Purpose 1:</b> Increased agricultural productivity of male and female smallholder farmers in NE region	<i>Gross margins per hectare of key commodities in targeted region (by commodity)</i>
<b>Sub-Purpose 2:</b> Increased access to markets	<i>The monetary value of export of key commodities</i>
<b>Sub-Purpose 3:</b> Improved access to support services	<i>The number of farmers / value chain actors accessing support services</i>

- 1) Know your intervention**
- 2) Know your context**
- 3) Don't set an indicator target in isolation**
  - Consider targets in relation to targets of other indicators up and down the results chain
  - Consider targets in one time period in relation to other time periods (i.e., consider the pace of change)

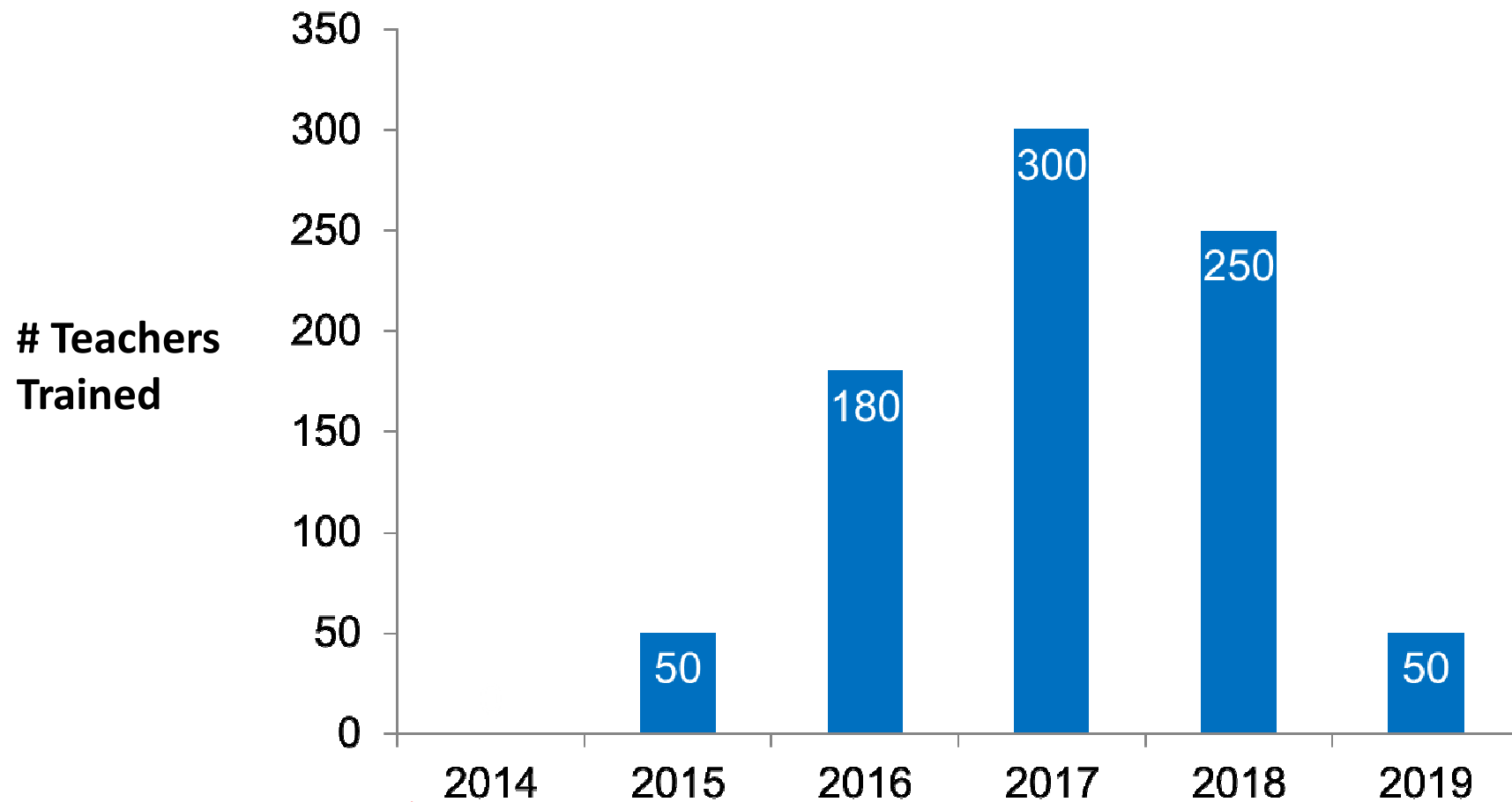




## Consider the pace of change: Output Indicator

### Annual Output Targets for Teacher Competency Activity (2015-2019)

*Life of Activity Target = 830 teachers trained*



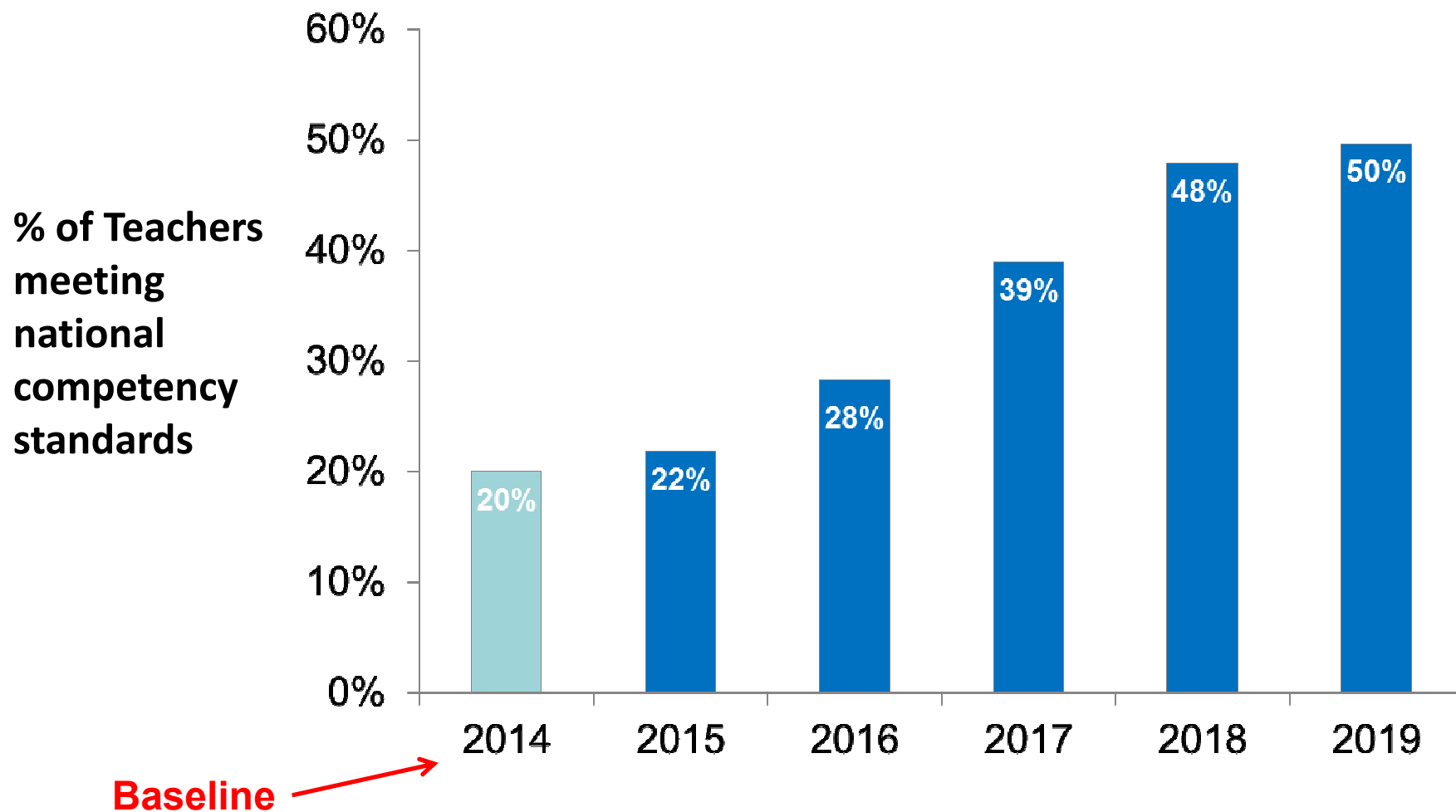
Baseline →



## Consider the pace of change: Outcome Indicator

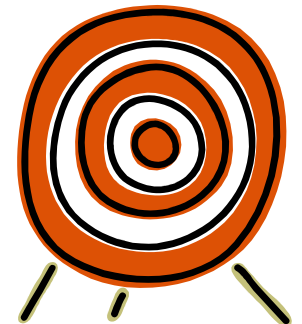
### Annual Outcome Targets for Teacher Competency Activity (2015-2019)

*Life of Activity Target = 50% of teachers meeting competency standard*





- 1) Know your intervention**
- 2) Know your context**
- 3) Don't set an indicator target in isolation**
  - Consider targets in relation to targets of other indicators up and down the results chain
  - Consider targets in one time period in relation to other time periods (i.e., consider the pace of change)
- 4) Don't get stuck on a single target value, start with the "feasible set" of possible indicator values**
- 5) Be transparent and engage stakeholders**



### Tools for Outcome Targets

1. Historical trends and forecasting
2. Disaggregating your data
3. Talking to experts  
(technical and experiential)
4. Benchmarking
  - Similar contexts
  - Similar programs

### Tools for Output Targets

#### Supply

1. Cost Analysis

#### Demand

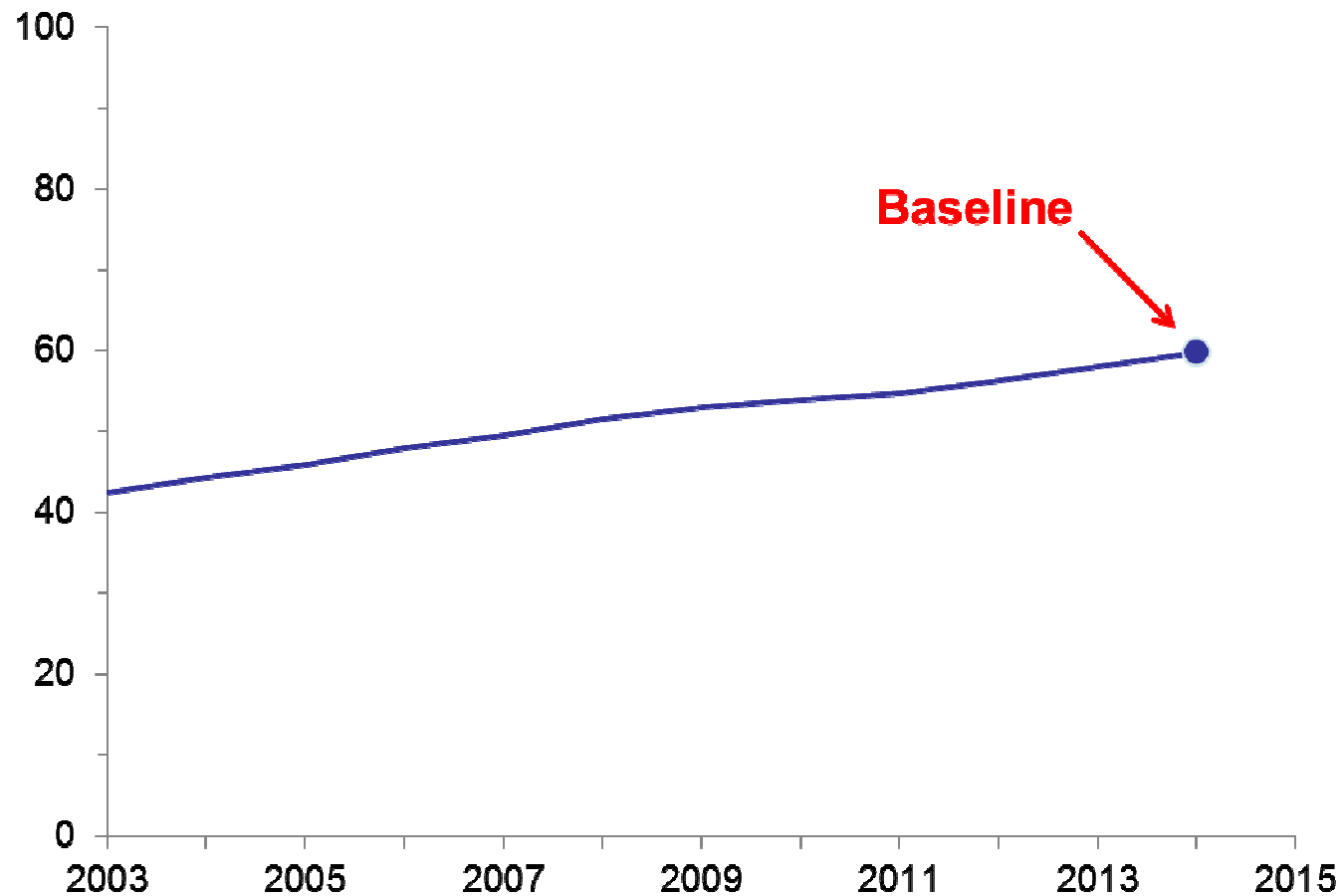
2. Needs Assessment /  
Demand Analysis



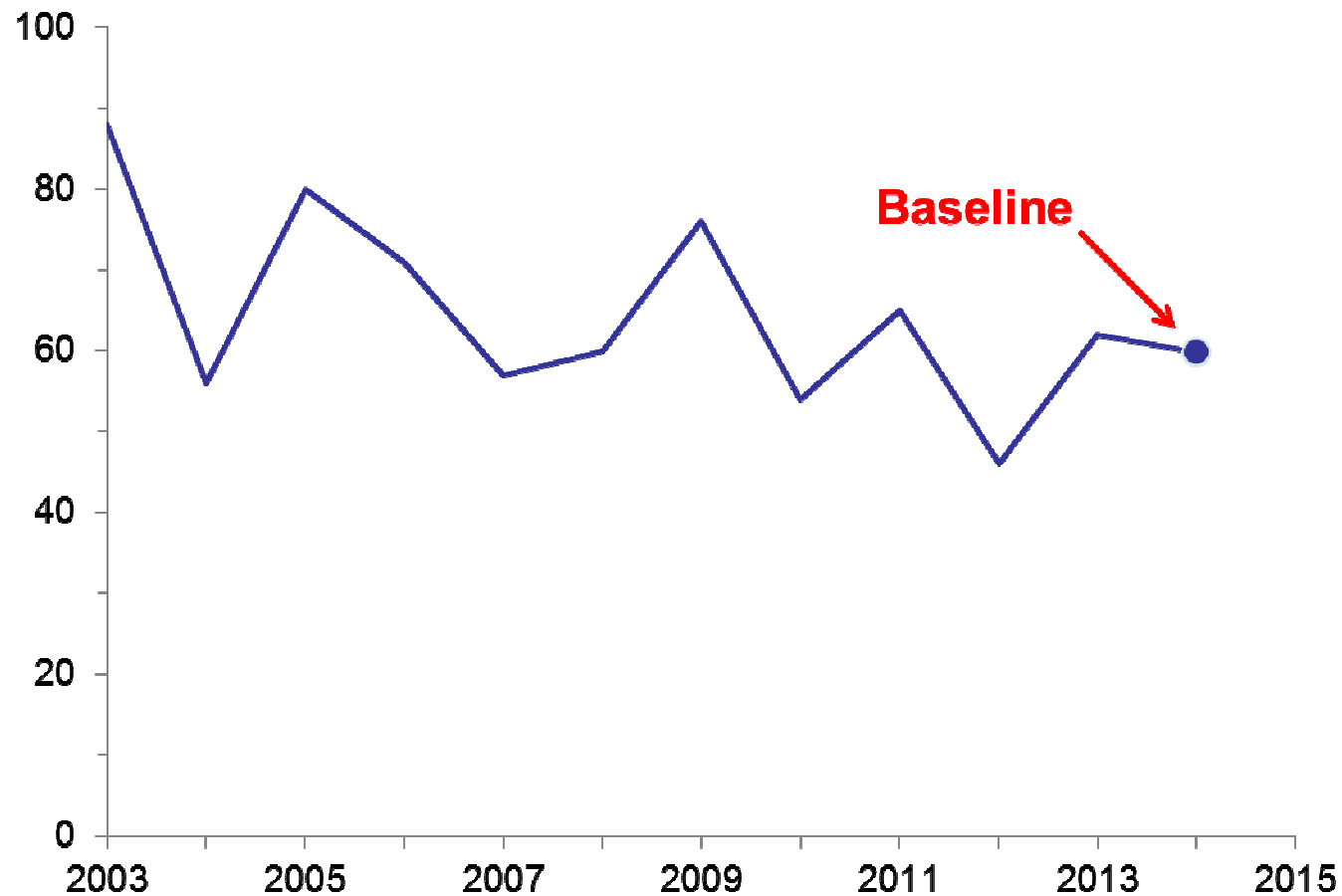
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## Historical Trends

### Percent of children attending secondary schools

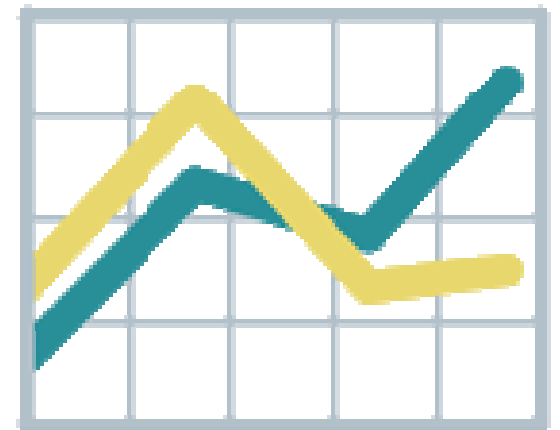


### Percent of children attending secondary schools

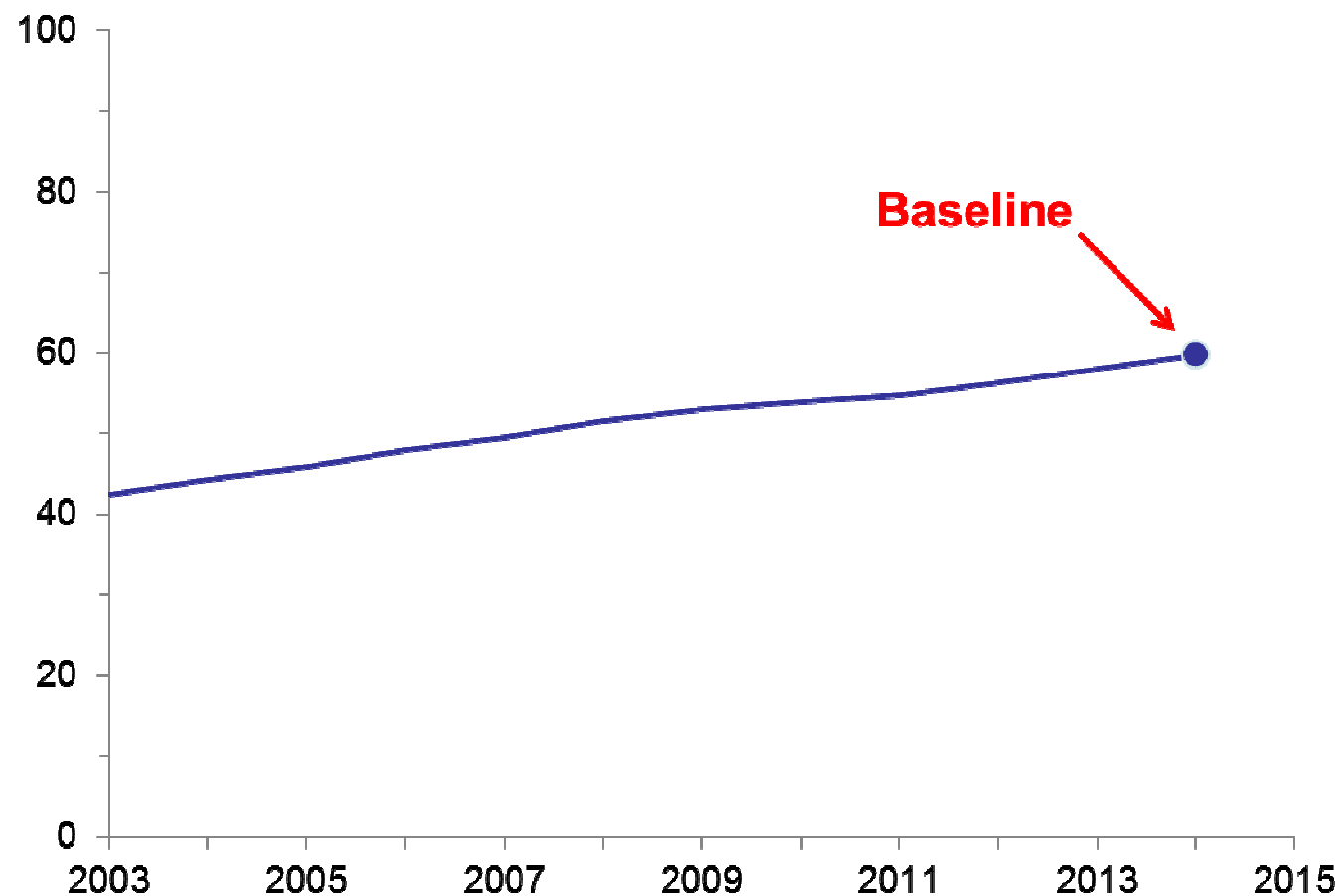


## Historical Trends and Forecasting

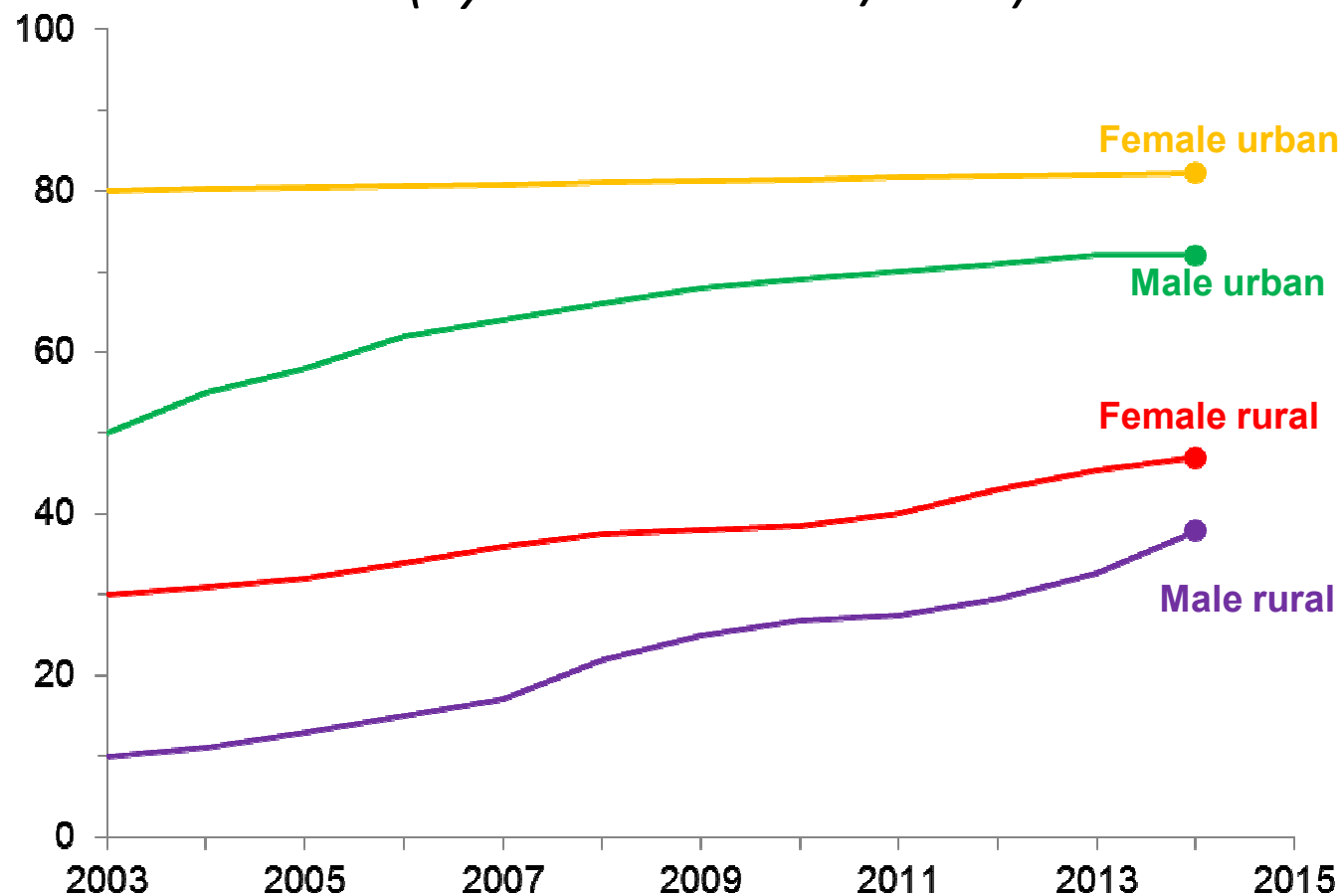
- What pattern of change has been evident in recent years; what underlying trend is evident?
- Make sure trend data from multiple periods is comparable.
- *Take it to the next level:* Statistical Forecasting - using patterns in current and historical data to project a range of likely future values.



### Percent of children attending secondary schools



### Percent of children attending secondary schools (by sex and urban/rural)



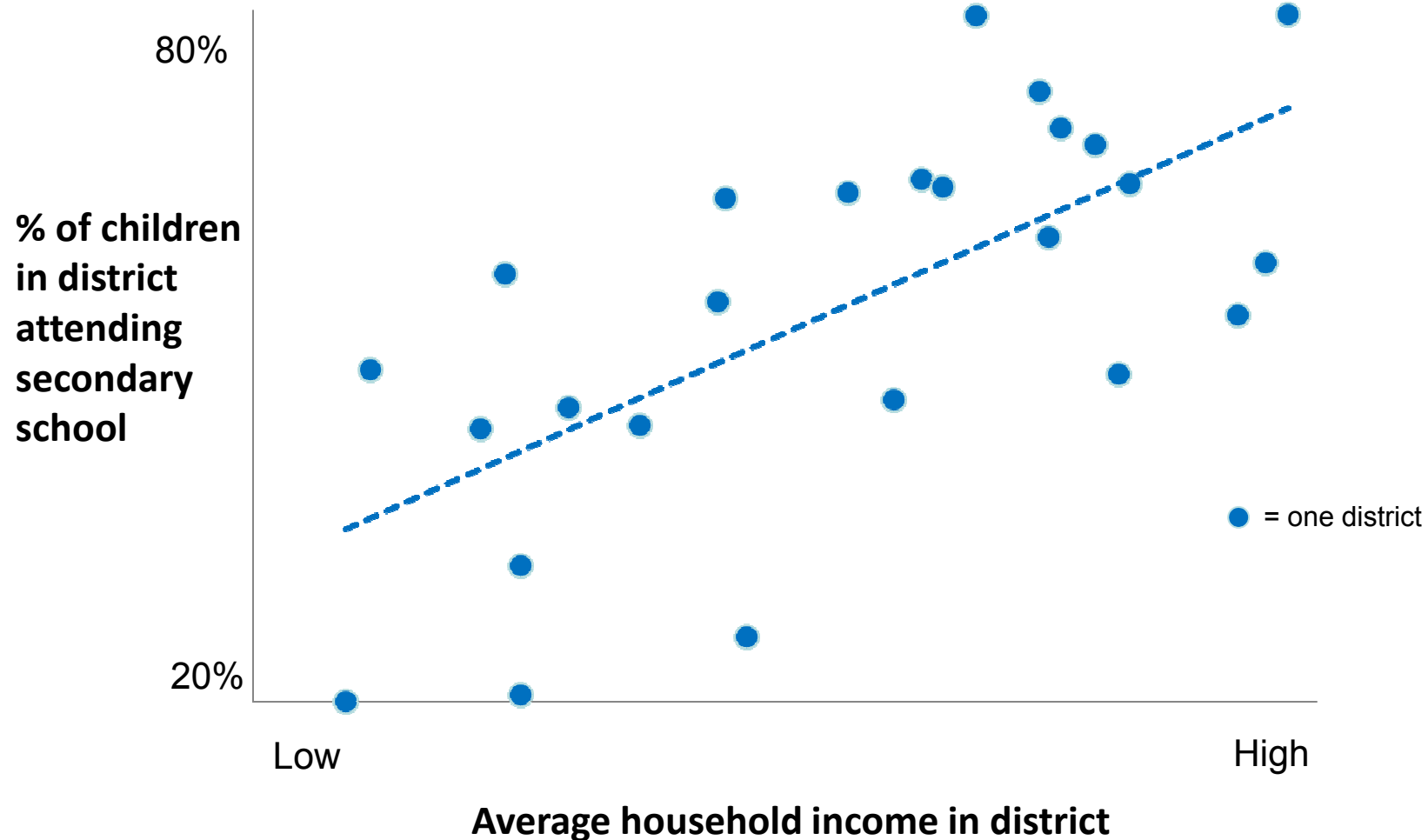
- Identify the technical experts, program staff, partners, and customers who know your field and context.
- Ask: what is possible or feasible with respect to a particular indicator and country setting?
- How: questionnaires, key informant interviews, focus groups, Delphi method, rapid appraisals, or informal conversations



Benchmarking – the process of comparing progress against similar contexts or similar programs

- Look at what is going on in similar contexts on your outcome indicator
- Knowing what factors affect your outcome indicator helps in understanding the relevancy of other contexts

### Percent of children attending secondary school in districts of Freedonia



## Achievement of Similar Programs

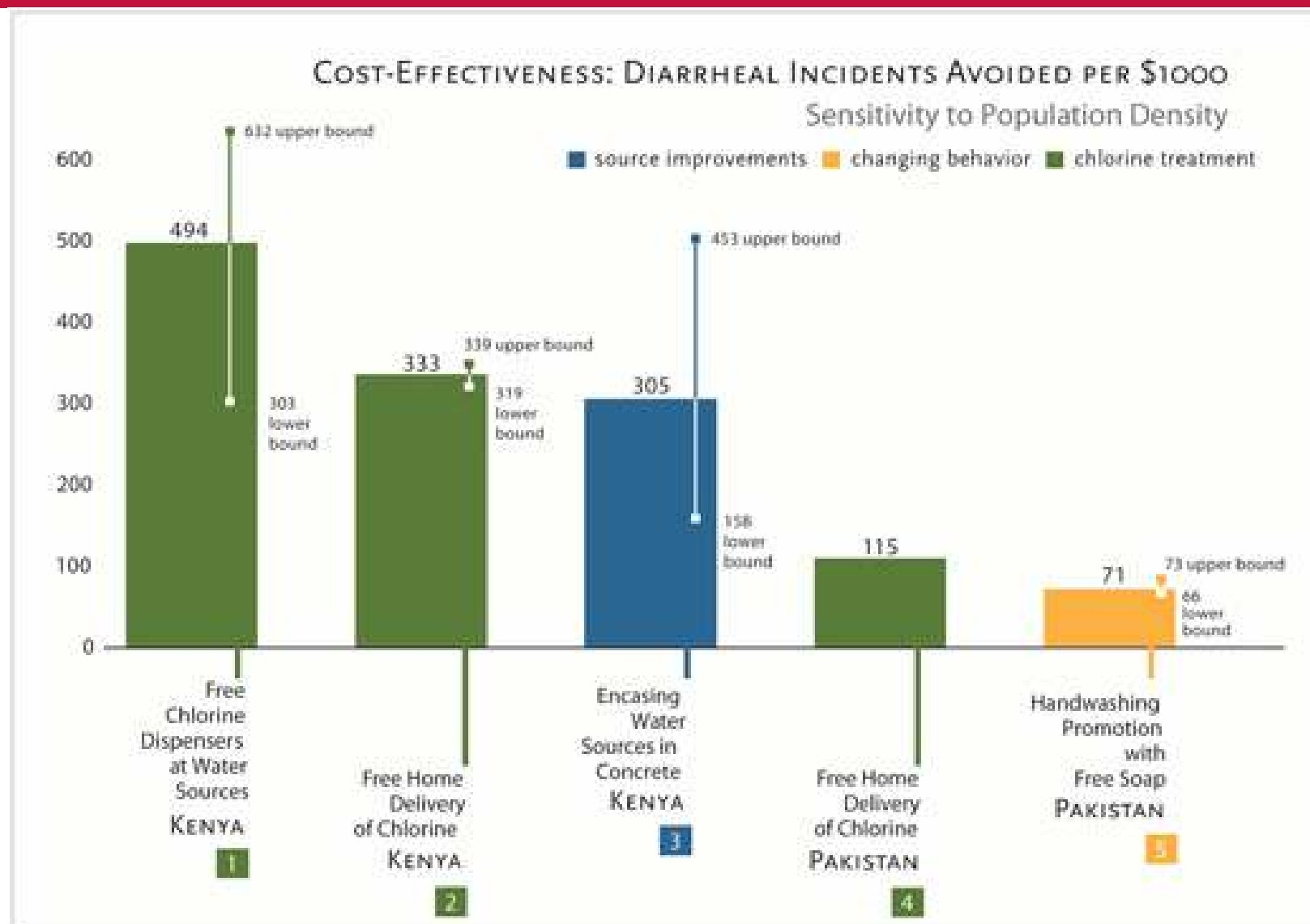
Examination of the progress of similar programs, in similar contexts, to understand the expected rate of change.

Examples may come from:

- Recent or past programming
  - Other USAID Missions or offices
  - Other development agencies
- Implementing partners
- Impact evaluation literature and systematic reviews (J-PAL, 3ie).



## Example: Similar Programs



From: <http://www.povertyactionlab.org/policy-lessons/health/child-diarrhea>

# Exercise

30 minutes in groups

15 minutes report back (after lunch)

Identify a group spokesperson and choose one indicator for your group. Report out on:

- What was your experience working through the target setting worksheet for this indicator?
- Any surprises or challenges?
- What would your next steps be to set targets for this indicator?