



U. S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

March 26, 1998

MEMORANDUM FOR AA/PPC, Thomas Fox

FROM:

(for)

IG/A/PA, Everett Orr

SUBJECT:

Agency-wide Audit of Civil Society, Natural Resources Management, and Biodiversity Activities by USAID Missions in Support of the Agency's Actions to Implement the Government Performance and Results Act. (Report No. 9-000-98-001-P)

This report summarizes the findings of an Agency-wide audit by the Office of the Inspector General (OIG) of civil society, natural resources management and biodiversity activities by the USAID field missions in support of the Agency's actions to implement the Government Performance and Results Act. In addition, the audits determined whether the missions were making satisfactory progress toward achieving the intended benefits of selected development activities. Audits were conducted in Ecuador, Egypt, South Africa, Uganda, Namibia, Senegal, Morocco, Romania, Russia, **Kazakhstan**, and the Ukraine. Appendix VII lists the 11 audit reports in which we reported those findings.

The 11 audit reports made a total of 27 recommendations. The missions took actions to address 23 of the recommendations in the reports. This capping report does not make any recommendations. Therefore, no further action on your part is necessary. In preparing this report, we considered your comments to our February 6, 1998 draft report and have included these comments as Appendix II.

I appreciate the cooperation and courtesies extended to the OIG audit staff during this Agency-wide audit.

EXECUTIVE SUMMARY

In August 1993, Congress enacted Public Law 103-62 called the "Government Performance and Results Act of 1993" (Results Act). The Results Act, among other things, requires federal agencies to develop strategic plans, prepare annual plans setting performance goals, and report annually on actual performance compared to goals.

This report is part of the Office of the Inspector General's (OIG) continuing assessment of USAID's implementation of the Results Act. The OIG has previously conducted audits at the Agency and bureau levels. This report summarizes our work at the mission level. We performed field work from July 1996 to June 1997 at 11 missions. These missions were selected because they had active development programs in democracy (civil society activities) and the environment (natural resources management and biodiversity activities) which were based on the OIG's audit plan. The audits focused on whether the missions developed a strategic plan, annual plan and performance indicators, collected and reported accurate data, and used performance data to effectively manage their democracy or environmental programs. The audits also determined if the missions were making satisfactory progress toward achieving the intended benefits of selected development activities in these areas (See page 2) for the audit's objectives.

The audits determined that, (a) 10 of the 11 missions had strategic and annual plans which were consistent with the Agency's strategic framework, (b) 9 of the 11 missions had developed indicators which were generally consistent with Agency goals; however, these indicators were frequently not direct, objective, practical, or unidimensional, and the baselines and targets for these indicators were not always supported by documentation, and (c) 10 of the 11 either had not developed or had not finalized a formalized, ongoing system of data collection and verification to report accurate and reliable performance data. The audits also determined that it was too early to tell whether 8 of the 11 USAID missions reviewed were using performance information to enhance program effectiveness because these missions either had not yet finalized their performance monitoring systems or had only recently finalized their systems and begun collecting performance data. (See page 3). Even though our findings indicate problems, we are not making a recommendation at this time since we are doing more in depth work on the causes in a subsequent audit.

Moreover, at all ten missions where we evaluated the progress toward achieving intended benefits, we found the missions were making satisfactory progress toward achieving the intended benefits, for the activities reviewed. However, progress was evaluated using USAID's prior system of measuring results which did not, for the most part, address progress at the strategic objective and intermediate result levels as required under USAID's present system (See page 12).

The 11 audit reports made a total of 27 recommendations. The missions took actions to address 23 of the recommendations in the reports.

The Bureau for Policy and Program Coordination agreed with the findings in this report which summarizes the results of the 11 audit reports.



Office of the Inspector General
March 26, 1998

Table of Contents

	<u>Page</u>
EXECUTIVE SUMMARY	i
INTRODUCTION	1
Background	1
Audit Objectives	2
REPORT OF AUDIT FINDINGS	3
Did selected USAID missions, for civil society, natural resources management and biodiversity activities, in accordance with Agency directives and in support of USAID's actions to comply with the Government Performance and Results Act:	
(a) Develop a strategic plan and an annual plan which were consistent with the Agency's strategic framework?	3
(b) Develop performance indicators which were consistent with Agency goals?	5
(c) Develop a system for collecting and reporting accurate performance data?	9
(d) Use performance information to enhance program effectiveness?	10
Were selected USAID missions' civil society, natural resources management, or biodiversity activities making satisfactory progress toward achieving the intended benefits?	12
APPENDICES	<u>Number</u>
Scope and Methodology	I
Management Comments	II
Glossary of Terms Used in the Report	III
Summary of Audit Findings by Mission	IV
Examples of Problems with Indicators, Baselines and Targets	V

Examples of Inadequate Data Collection and Reporting Systems	VI
Office of the Inspector General's Audit Reports on USAID Missions' Implementation of the Government Performance and Results Act for Civil Society, Natural Resources Management and Biodiversity Activities	VII

INTRODUCTION

Background

In August 1993, Congress enacted Public Law 103-62 called the "Government Performance and Results Act of 1993" (Results Act). The Results Act requires federal agencies to develop strategic plans, prepare annual plans setting performance goals, and report annually on actual performance compared to goals.

Under "reengineering" and before the Agency started to implement the Results Act, USAID developed an Agency Automated Directives System (ADS) which replaced USAID Handbooks. Within the ADS, USAID defined several reengineering terms such as Strategic Plans, Results Frameworks, Results Review and Resource Requests (R4s), and Management Contracts. Appendix III defines these terms as well as others used throughout this report.

In support of its reengineering efforts, an Agency strategic framework was approved in September 1995 to graphically present USAID's development strategies. Within this framework, the Agency identified five Agency goals¹, one of which is "Sustainable democracies built". One of the four Agency objectives under this goal is "Increased development of politically active civil society." Another Agency goal is "Environment managed for long-term sustainability." Two of the five Agency objectives under this goal are conservation of biological diversity and natural resources managed for sustainability.

The audit at USAID field missions are part of the OIG's assessment of USAID's implementation of the Results Act. The OIG has also conducted audit work at the Agency and bureau levels. This report summarizes our work at the mission level. (See Appendix VII for a list of audits performed at the missions.) We performed work from July 1996 to June 1997 at 11 missions. The OIG audit plan identified democracy and environment activities for audit because these areas have not been the subject of an Agency-wide audit in the past several years. Within the democracy and environment areas, we selected civil society, natural resources management and biodiversity activities because, unlike other activities, most recipient countries had these activities in their development portfolio. The 11 missions we visited were selected based on their relatively large development programs in these activities. Also, because the individual audits were conducted at different times during this one year period, six audits focused on the R4s

¹ The Agency submitted its strategic plan to the Congress and the Office of Management and Budget in September 1997 as required by the Results Act. In this plan, the Agency added a sixth goal.

submitted for fiscal year 1995, four focused on R4s submitted for fiscal year 1996, and one reviewed a mid-year document for fiscal year 1996.

Total obligations and expenditures by the audited missions for civil society activities were approximately \$192 million and \$104 million, respectively, and for natural resources management and biodiversity activities amounted to approximately \$170 million and \$81 million, respectively, for the periods under audit.

Audit Objectives

The Inspector General's Performance Audits division in Washington, D.C. and its regional offices in Cairo, Dakar, South Africa, Frankfurt, Budapest and San Salvador performed audits at 11 USAID locations to answer the following questions:

Did selected USAID missions, for civil society, natural resources management and biodiversity activities, in accordance with Agency directives and in support of USAID's actions to comply with the Government Performance and Results Act:

- (a) **Develop a strategic plan and an annual plan which were consistent with the Agency's strategic framework,**
- (b) **Develop performance indicators which were consistent with Agency goals,**
- (c) **Develop a system for collecting and reporting accurate performance data, and**
- (d) **Use performance information to enhance program effectiveness?**

Were selected USAID missions' civil society, natural resources management, or biodiversity activities making satisfactory progress toward achieving the intended benefits?

Appendix I describes the audits' scope and methodology.

REPORT OF AUDIT FINDINGS

In answering the audit objectives, we have provided a consolidated summary of the findings from the 11 audit reports issued by the Regional Inspectors General in this Agency-wide audit. For further details of the results of each individual audit, please refer to the table in Appendix IV, or to the audit reports listed in Appendix VII. Also, the audits made a total of 27 recommendations to address some needed improvements. Mission officials have agreed to take the necessary corrective action for all but four of these recommendations and were in the process of implementing the recommendations.

Did selected USAID missions, for civil society, natural resources management and biodiversity activities, in accordance with Agency directives and in support of USAID's actions to comply with the Government Performance and Results Act:

(a) Develop a strategic plan and an annual plan which were consistent with the Agency's strategic framework?

The Agency's Automated Directives System (ADS), Chapter 201 Managing for Results: Strategic Planning, prescribes the contents for a mission's strategic plan and its corresponding annual plan which is included in the Results Review and Resource Request (R4)². Chapter 201, sections 201.5.2 and 201.5.10a specify that a mission's strategic plan link its strategy, through the use of strategic objectives, to the Agency's strategic framework³. Section E 201.5.16a describes the content of the R4 which includes reporting progress toward strategic objectives.

At ten of the eleven missions reviewed (USAID/Romania's strategic plan was not required until the fall of 1997), the audit found that both the strategic and annual plans were consistent with the framework. For example:

² ADS section E201.5.16a "Content of the R4" says that the R4 will include, as appropriate, expected progress for the next year. We equated this requirement as an operating unit's annual plan.

³ The Agency's strategic framework graphically depicts the Agency's goals and objectives. The Agency's strategic plan issued in September 1997 contained the same goals and objectives in the democracy and environment areas.

- At USAID/Namibia, the Mission developed a five-year strategic plan in 1995. This plan contained one strategic objective related to environmental activities and was prepared in accordance with Agency directives. The Mission revised its plan in 1996 and its R4 followed in 1997. We determined that the strategic objective related to the environment remained unchanged, and the Mission's R4 was consistent with both the revised strategic plan and with USAID's strategic framework. USAID/Namibia's strategic objective to increase benefits to historically disadvantaged Namibians from sustainable local management of natural resources is directly linked to the Agency's Objective 4.5—sustainable resource management; and contributes to Agency Objective 4.1—biological diversity conserved.
- USAID/South Africa's strategic objective of democratic institutions strengthened through civil society participation directly addresses the Agency's objectives of (1) strengthened rule of law and respect for human rights, (2) more genuine and competitive political processes, (3) increased development of politically active civil society, and (4) more transparent and accountable government institutions. Five of the Mission's six intermediate results which support the Mission's strategic objective and goal were consistent with the Agency's four objectives. For example, the Mission's intermediate result of Administration of Justice relates to the Agency objective to strengthen rule of law and respect for human rights. However, we determined that one intermediate result (Conflict Resolution) did not directly contribute or tie to the Agency's four objectives. Nevertheless, it does contribute to and support the overall democracy program in South Africa.

Related to the above, ADS Chapter 201, section 201.4, defines a strategic objective as "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 ADS also defines an activity as "...any action used to advance the achievement of a given result or objective..."

The audits identified three cases (Ecuador, Egypt, Kazakstan) in which the missions' strategic objectives were, in our opinion, too broadly defined. Consequently, the missions' activities could not logically or reasonably affect the strategic objective. Also, there were activities which did not clearly relate to the strategic objective. For example:

USAID/Ecuador's strategic objective for the environment was too broadly defined in relation to its current environmental activities. Its strategic objective, *The Environment managed for long-term sustainability*, is identical to the environmental goal in the Agency's strategic framework. As such, it presumes that the planned impact of the program's activities in Ecuador will materially effect the environment of the entire country. However, the Mission's three program areas under this strategic objective are linked to only three of the Agency's five objectives under the Agency's environment goal. Since the

Mission's program did not address the other two environmental objectives, it is not as comprehensive as the Agency's environmental goal, although the Mission's strategic objective implies this to be the case.

In addition, we determined that the strategic framework did not include adequate causal linkages between the various levels of the framework and, therefore, did not demonstrate how USAID's program was to result in the intended benefits to the environment in Ecuador.

Also, two missions (Egypt and Kazakstan) had included activities which did not clearly relate to the strategic objective. For example, USAID/Egypt included under its strategic objective for civil society an intermediate result which did not relate closely to civil society. Civil society organizations are those organizations which serve as intermediaries between individuals and their government, such as labor unions, human rights groups, and non-governmental organizations. However, the Mission had an intermediate result, "incremental devolution of authorities to the local level," which does not relate closely to civil society but rather supports a transfer of power from the national government to local government committees.

In each of the above examples, the mission either had corrected or was in the process of correcting the problems identified by the Regional Inspector Generals' audits. Therefore, in light of the positive results of all of the audits, we are not making any recommendations in this report.

Did selected USAID missions, for civil society, natural resources management and biodiversity activities, in accordance with Agency directives and in support of USAID's actions to comply with the Government Performance and Results Act:

(b) Develop performance indicators which were consistent with Agency goals?

ADS Chapter 201, Managing for Results: Strategic Planning, section E201.5.10, states that operating unit strategic plans shall include, among other things, a discussion of the linkage of the strategy to Agency goals and objectives. This section further states that the plan should include how the achievement of the strategic objective will be judged including proposed performance indicators and targets for achievement of each strategic objective.

Nine of the eleven USAID offices reviewed had developed indicators which were generally consistent with Agency goals.⁴ One mission, USAID/Russia, did not establish indicators while indicators at another mission, USAID/Ecuador were not consistent with Agency goals. The problem at USAID/Ecuador is further discussed in Appendix V.

Two illustrations of USAID missions which had developed indicators consistent with Agency goals follow:

- At USAID/Senegal, the audit found the Mission's performance indicators were consistent with Agency goals. The Mission had adopted two of the four Agency-wide common indicators for natural resources management including (a) increased use of natural resources management technologies and (b) improved crop yields from sustainability managed lands. The adoption of the above common indicators should facilitate the Agency's aggregation of USAID/Senegal's performance results with the performance results of other USAID missions. In addition, we found that the Mission's 20 performance indicators were, for the most part, objective and quantitative and that the related performance targets were time-specific and verifiable.
- USAID/Morocco reported on 11 environmental performance indicators for its environmental strategic objective in its March 1997 Results Review Report. Eight of these performance indicators (three at the strategic objective level and five at the intermediate result level), were related to natural resources management. We found that these eight performance indicators were, for the most part, objective, quantitative, and that the related performance targets were time-specific and verifiable. Further, the Mission had determined how to measure and how often it would measure the performance indicators. In addition, there was a consistency between these performance indicators and the broadly-stated performance indicators listed in USAID's "Agency Strategic Framework and Indicators 1995 - 1996."

Although the missions generally had developed indicators which were consistent with Agency goals, the audits at 9 of 11 missions⁵ identified areas needing further improvements. For example, in some missions, the indicators measured activities which were not directly supported by USAID funds. Also, several indicators did not comply with Agency guidance that the indicators be direct, objective, practical, and unidimensional. Furthermore, some missions had either not established baselines or

⁴ At the time of this capping report was prepared, the Agency was in the process of developing common indicators for missions' use. The development of common indicators and adoption of these indicators by operating units should facilitate reporting results at the Agency level.

⁵ Regarding the other two missions, USAID/Russia had not established indicators and we determined that USAID/Namibia's indicators were acceptable.

targets or had problems with baselines and targets. These issues are discussed below.

ADS 203.5.5a states that 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. Section E203.5.5(1) says that performance indicators require quality data at intervals consistent with management needs (to the extent possible, annually, according to section E203.5.5(4)(a)) and should be direct, objective, practical, and unidimensional. "Direct" means that the performance indicator should measure as closely as possible the intended result. An "objective" indicator has no ambiguity about what is being measured. An indicator is "practical" if data can be obtained in a timely way and at a reasonable cost. To be "unidimensional" means that it measures only one phenomenon at a time. Quantitative performance indicators are preferred and shall be used in most cases. Also, the Agency's Center for Development Information and Evaluation (CDIE) issued supplemental guidance on performance indicators (TIPS No. 6, Selecting Performance Indicators).

Also, ADS 203.4 defines performance baselines as 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.

This section further defines performance targets as the specific and intended result to be achieved within an explicit timeframe and against which actual results are compared and assessed. It also states that a performance target is to be defined for each performance indicator. In addition, CDIE's TIPs No. 8 Establishing Performance Guidance discusses what targets are, why they are important, and what information sources and approaches may be used for setting targets. Furthermore, it also discusses the importance of understanding the underlying historical trend in the indicator value over time.

A few examples of problems with indicators, baselines and targets follow. See Appendix V for more examples.

- The audit of USAID/CAR in Kazakstan noted problems with the performance indicators. For example, the primary performance indicator at the strategic objective (SO) level centers around creation of non-governmental organizations (NGOs) and increase in their membership. While these actions can be quantified, i.e., easily measured in terms of the major outputs, the indicators do not seem to measure the intended result of an "Increased, better informed citizens' participation in political and economic decision making." The Mission did establish an indicator at the SO level for measuring "if citizens feel more informed over time," but it did not have a performance indicator for measuring "citizen participation in political and economic decision making." Also, current indicators

cover only NGO and political activities and do not measure the results of media outcomes. We determined that media results and activities are a major facet in the effort to achieve the SO. Thus, it seems necessary for the mission to refine the performance indicator at the SO level to capture the outcome of the media programs in Kazakhstan.

A further issue noted concerns the accuracy of the baselines and targets used to measure results of media activities. While the baselines and targets were developed by the development partner (Internews), they were not based on verifiable information in accordance with ADS requirements and TIPs guidance. According to an Internews official, the baselines and targets were educated guesses or estimates. While estimates may be acceptable if the methodology for arriving at the estimate was documented and reviewed for reasonableness, this was not the case for media activities in Kazakhstan.

- OAR/Romania developed 13 performance indicators for its civil society activities. The audit revealed that five of the indicators did not have a written definition. Each of the remaining eight indicators had a written definition; however only two were objective in the sense used by the Agency (i.e., clear about what is being measured). The other six were too ambiguous to make them operational. For example, one indicator was "Number of groups with policy concerns." This indicator needed to be defined as to what groups are involved and what policies should be of concern.

The audit reports cited a number of reasons for the problems with indicators, baselines and targets. For example, the USAID/Egypt report stated that USAID had relatively little experience in providing assistance to encourage democracy, and that democracy activities do not lend themselves to precise measurement. Additionally, several audit reports mentioned that mission personnel have had little experience applying new reengineering guidance and the missions did not fully understand the guidelines.

Even though our findings indicate problems, as discussed above, we are not making a recommendation at this time since we are doing more in depth work on the causes in a subsequent audit.

Did selected USAID missions, for civil society, natural resources management and biodiversity activities, in accordance with Agency directives and in support of USAID's actions to comply with the Government Performance and Results Act:

(c) Develop a system for collecting and reporting accurate performance data?

ADS Section 203.5.5 requires the Agency operating units to establish and maintain performance monitoring systems to regularly collect data which enable assessment of progress towards intended results. Specifically, strategic objective teams should collect data on inputs and outputs to ensure that planned activities are contributing to relevant intermediate results (ADS 203.5.1a). In addition, operating units should, at regular intervals, assess the data being used to monitor performance and determine if it is of reasonable quality and accurately reflects the process it is measuring (ADS 203.5.5e).

ADS E203.5.5(2) also requires operating units to establish a performance monitoring plan. Among other things, the plan should specify the source, method and schedule of collection for all required data and assign responsibility for collection to a specific office, team or person to coordinate with the development partners from whom the information is to be obtained. CDIE TIPS No. 7 further expands on these requirements and provides guidance regarding recommended plans for data analysis, reporting, review and use.

Of the 11 USAID missions reviewed, 10 either had not developed or had not finalized a formalized, ongoing system of data collection and verification to report accurate and reliable performance data. Two examples follow. For more examples see Appendix VI.

- The audit of USAID/Uganda showed that the Mission did not have a formalized, ongoing system of data collection, aggregation and verification to ensure the quality and accuracy of the information. In most cases, data was collected on an "as needed" basis rather than through a formal and well-defined reporting system. Moreover, a system of quality control that includes verification of the appropriateness and accuracy of the data was not in place. In testing 4 out of the 12 performance indicators, there were differences between the reported and audited data, ranging from 6 to 45 percent.
- USAID/Kiev had not fully developed the reporting system as described in Agency and ENI Bureau guidance. For example, according to Mission officials, the Mission was in the process of finalizing its "performance monitoring plan." At the time of the audit, USAID/Kiev was utilizing the strategic objective team to collect and report performance data and this team was using ENI's Monitoring and Reporting System (MRS) as the collection point for this information. The MRS, in the form of Activity Monitoring Reports (AMRs), allows for reporting

performance against targets and intermediate results, as well as the Strategic Objective level. The AMRs prepared thus far did not link performance against targets and intermediate results set in the Results Framework.

The audits found several causes for missions not having a system for collecting and reporting accurate performance data. One audit noted that although the mission had designed a new strategic and results framework, it did not implement the procedures necessary for a functioning performance monitoring plan to support that framework. Instead, the mission continued to primarily manage its portfolio on the basis of reported activity inputs, outputs, and processes. Another cause can also be attributed to the fact that reengineering guidance and requirements were new and probably not fully understood by mission officials. The implementation of reengineering is a learning process which takes time and involves complex relationships between the various component parts. Another contribution to this problem is that the missions have not yet instituted procedures to validate data reported by their partners.

In summary, without an effective system for collecting, screening and reporting performance data, missions' ability to evaluate the impact of their development assistance and their progress towards achieving their strategic objectives could be impaired. Moreover, USAID's ability to manage for results and thereby fulfill its responsibilities under the Results Act could be affected. Since our audits only concerned 11 missions and was limited to civil society, natural resources management and biodiversity activities, we are not able to project, with any degree of certainty, the significance of this problem to each of the Agency goals and on an Agency-wide basis. Accordingly, we are not making a recommendation since we are doing more in depth work on the causes in a subsequent audit.

Did selected USAID missions, for civil society, natural resources management and biodiversity activities, in accordance with Agency directives and in support of USAID's actions to comply with the Government Performance and Results Act:

(d) Use performance information to enhance program effectiveness?

ADS Section 203.5.2 requires USAID operating units and their strategic objective teams to remain informed of all aspects of performance in order to effectively manage for results. Operating units and strategic objective teams shall use information, among other things, to improve the performance, effectiveness, and design of existing development assistance activities.

The audits determined that it was too early to tell whether 8 of the 11 USAID missions reviewed were using performance information to enhance program effectiveness because

these missions either had not yet finalized their performance monitoring systems or had only recently finalized their systems and begun collecting performance data.

For example:

- At the time of the audit (March 1997), USAID/South Africa had just issued its Strategic Plan and R4 which included a performance monitoring plan. To obtain baseline data for the strategic plan and R4, the mission solicited grantees to provide data. This data was obtained just prior to the strategic plan and the R4 being issued. Since the program results data is just being collected, it is too early for the mission to use the data to enhance program effectiveness.
- USAID/Central Asia Republics (USAID/CAR) in Kazakstan was planning to use performance information to enhance program effectiveness. However, according to Mission officials, it was too early in the implementation of the R4 process to state that the new system had improved program effectiveness. Nonetheless, the strategic objective team members stated that the discipline resulting from developing the “results tree” for the strategic objective has greatly focused the team and development partners in trying to ensure that activities are directed towards achieving intermediate results and strategic objective outcomes. The team also said that this process has led to considerable discussions and reviews of performance information to ensure that this information shows that they are making progress and/or conducting the proper activities.

The remaining three missions (Morocco, Namibia, Senegal) were using performance information to a limited extent. However, two of these missions (Morocco, Senegal) noted that it was unclear how the results of their performance related to resource allocations made by USAID/Washington. For example, the USAID/Morocco audit found several examples of how the mission had used performance information (1) to improve the way it measures performance results, (2) to ensure that its activities reached their planned targets, and (3) to determine where the mission should implement its environmental activities. Although USAID/Morocco officials had used performance information to improve program effectiveness and stated that they were pleased with USAID's results review and resources request process, they said that they had not noticed any linkage yet between their reported results and funding levels given to them by USAID/Washington.

In conclusion, we believe that additional time will be needed for missions to fully utilize performance information to enhance program effectiveness and accordingly, we are not making any recommendations.

Management Comments and Our Evaluation

The Bureau for Policy and Program Coordination agreed with the findings. These comments are included as Appendix II.

Were selected USAID missions' civil society, natural resources management, or biodiversity activities making satisfactory progress toward achieving the intended benefits?

All ten⁶ missions selected were making satisfactory progress toward achieving the intended benefits for their civil society, natural resources management, and/or biodiversity activities. However, progress was evaluated using USAID's prior system of measuring results which did not, for the most part, address progress at the strategic objective and intermediate results levels as required under USAID's present system. Therefore, except for one audit (Morocco), the audits could not determine whether the missions were making progress towards their strategic objectives. The audits covered grants, cooperative agreements, projects and technical assistance contracts with expenditures of about \$90 million.

Examples of activities making satisfactory progress based on USAID's prior results measurement system are:

- At USAID/Ecuador, *biodiversity research*, the aim of USAID-financed activities administered by CARE, a U.S.-based non-governmental organization, is to measure biodiversity changes, to better understand biodiversity in the area around the ecological reserve, and to disseminate the results of the studies to enable local residents to apply sustainable land use practices. For example, there were ongoing studies involving the economic use of the rampira palm, and research into various local species such as spiny rats, bats and parrots. These activities are also sponsoring ongoing biological research to assess the impact of project activities, including, for example, technical reports on vertebrates and forestry activities, as well as finalization of satellite imagery studies of the area to measure biodiversity changes.
- At USAID/CAR in Kazakstan, the objectives which were being achieved were: to establish an independent news exchange network in and between regions; to provide training for TV journalists and station managers to assist independent news organizations to become effective as sustainable news-producing and news-transmitting institutions; and to provide the logistical and administrative support necessary for program activities.

⁶ One audit did not include this objective.

- USAID/Uganda helped deliver services through grants and cooperative agreements. The audit reviewed activities related to 7 out of 12 major grants that provided assistance in promoting wildlife education; controlling infestation of rivers and lakes; and strengthening institutional capacity for rural development, community conservation and natural resources management. Overall, the activities were progressing towards planned targets.

For example, under a grant to the World Wildlife Fund, USAID/Uganda's objectives were to assist the Rwenzori Mountains National Park by (1) developing its operational capacity, (2) reducing human pressures on the park, and (3) strengthening the relationship between park management and nearby communities. For the most part, the activities were making progress. USAID-financed assistance resulted in a staffing and organizational plan being developed to improve the park's management capability. Moreover, agreements were drafted to establish multiple-use zones to enable villagers to use the park's resources on a sustainable basis. Furthermore, various community conservation activities were undertaken such as: publishing a semi-annual newsletter, initiating a weekly radio program, and developing educational materials dealing with conservation.

- In the case of USAID/Morocco, the audit reviewed whether the mission was making progress toward its strategic objective and intermediate results. Targets were established for five of eight indicators. Of these five indicators, three exceeded its 1996 targets, one met its target and one fell short of its target. Regarding the other three indicators, only baseline values were established in 1996.

For example, regarding the intermediate result for broadened public participation for environmental action, USAID/Morocco established the indicator "the number of environmental activities implemented with non-governmental partners." The mission exceeded its 1996 performance target by twenty percent. USAID/Morocco officials explained that the mission was able to exceed its performance target due in large part to the enthusiastic response of one of Morocco's municipalities to a USAID-funded environmental activity. That is, after USAID/Morocco had conducted initial meetings with the municipality concerning the mission's proposed environmental activities, the leadership of the municipality requested that the mission expand its activities to an additional non-governmental partner.

The audits also identified several problems in implementing development activities. For example:

- At OAR/Romania, budgeted funds for a grantee may be more than needed for training and technical assistance activities (\$466,380), and for subgrants to non-governmental organizations (\$627,465).

- Improvements are needed under USAID/Uganda-funded financial advisory services provided to the Uganda Wildlife Authority.

In each of the above examples, the missions had or were in the process of correcting the problems identified in the Regional Inspector Generals' audits. Therefore, in light of the general positive results of the audits, we are not making any recommendations at the Agency level.

Management Comments and Our Evaluation

The Bureau for Policy and Program Coordination agreed with the findings. These comments are included as Appendix II.

SCOPE AND METHODOLOGY

Scope

The Office of the Inspector General (OIG) conducted an Agency-wide audit of civil society, natural resources management and biodiversity activities by USAID missions in support of the Agency's actions to implement the Government Performance and Results Act in accordance with generally accepted government auditing standards. The OIG's Performance Audits Division in Washington, D.C. was the lead office and the Regional Inspector General offices in Cairo, Dakar, Pretoria, Budapest, Frankfurt (now closed) and San Salvador were participants. Eleven audits were conducted in Ecuador, Egypt, South Africa, Uganda, Namibia, Senegal, Morocco, Romania, Russia, Kazakstan, and the Ukraine. Reports issued on these audits are listed in Appendix VII.

The OIG audit plan selected democracy and environment activities for audit because these areas have not been the subject of an Agency-wide audit in the past several years. Within the democracy and environment areas, we selected civil society, natural resources management and biodiversity activities because, unlike other activities, most recipient countries had these activities in their development portfolio. The 11 missions were selected based on their relatively large development programs in these activities. Also, because the individual audits were conducted at different times during this one year period, six audits focused on the R4s submitted for fiscal year 1995, four focused on R4s submitted for fiscal year 1996, and one reviewed a mid-year document for fiscal year 1996.

Based on an analysis of financial data in the 11 audit reports, total obligations and expenditures incurred by these offices for civil society activities were approximately \$192 million and \$104 million, respectively, and for natural resources management and biodiversity activities amounted to approximately \$170 million and \$81 million, respectively, for the periods under audit.

Field work was conducted at the aforementioned missions at various times from July 1996 through June 1997. In addition, we visited USAID grantees, cooperating agencies and the recipient country project locations to conduct tests as deemed necessary.

Methodology

Although detailed testing in each audit was primarily designed to match the circumstances encountered at each location, the following common methodologies show the kinds and sources of information used and the general techniques for accomplishing the audit objectives.

We examined and analyzed documents relating to the civil society, natural resources management and biodiversity activities implemented by the 11 missions. In addition, we obtained further information by interviewing cognizant officials and conducting field trips to the offices of the recipient countries as well as USAID grantees and cooperating agencies to observe strategic objective activities.

We also assessed internal controls, compliance with applicable laws and regulations, and obtained written representations from responsible USAID officials for all essential assertions relating to the audit objective.



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

March 6, 1998

MEMORANDUM

To: David Conner, IG/A/PA

FROM: Thomas Fox, AA/PPC *T-Fx*

SUBJECT: Comments on the 2/6/98 Draft Report on the Agencywide Audit of Civil Society, Natural Resource Management, and Biodiversity.

I. OVERALL COMMENTS

This memorandum provides the Agency's response to subject Draft Report. We are pleased with the major findings, e.g., that (a) 10 out of 11 missions examined (over 90 percent) had "strategic and annual plans" which were consistent with the Agency's Strategic Framework", (b) 9 out of 11 missions had developed indicators consistent with Agency goals" and (c) so many missions already use indicators that meet USAID's ideal standards (direct, objective, practical, etc.). These findings are particularly impressive given the nature of the sample, the age of some of the materials (R4s) reviewed, and the timing of the review.

While strategic planning and performance measurement have been Agency priorities for more than a decade, we have made a special effort since October 1995, when we changed our requirements in these areas, to initiate improved practices. We have worked systematically with our overseas missions, regional bureaus and Washington offices to identify, share and phase in best practices. We are pleased with the improvements we have seen in strategic plans, performance measurement and results reporting. We expect the 1997 R4s will be better than the 1996 R4s which were in turn better than the 1995 R4s. We know that the job is not done. More work is needed at both the agency and the operational level.

We are also pleased with the gains we have made in this past year in the guidance and advice we are able to provide our operating units on "common" or "quality" indicators. We are more knowledgeable about both the complexity and difficulty of the task of identifying reliable, practical and affordable indicators for use in the more than 200 program areas where USAID works in more than 80 countries. In

some cases, our wish for reliable, quantifiable, "common" performance indicators exceeds the current state of the art and in other cases, reliable or affordable data for these indicators does not exist in particular countries.

This is, in part, why USAID "recommends" not "mandates" use of "common" indicators. Materials recently developed and shared with missions and other operating units on "common indicators" in population and health; environment; basic education and democracy and governance include both recommendations and cautionary notes about where it is and is not appropriate to use particular indicators. We will continue to work with our partners both within and outside the Agency to develop, refine, and share information on performance indicators. This will improve indicator quality and guard against inappropriate use or interpretation.

We concur with the Draft Report's finding that our operating units need to do more to develop and implement performance measurement plans (PMPs). Given the sample and the timing of the review, it is not entirely surprising that this activity was lagging. The requirement for PMPs for units with approved strategic plans was created in October 1995. Since the first two stages (approved strategic plans in place and performance indicators identified) are precursors to developing and implementing a meaningful PMP, one would naturally expect these two areas to have higher compliance rates. One would also expect a somewhat lower compliance with the requirement for PMPs--but we were initially disappointed too that it was as low as reported, only 1 in 11 have a PMP in full operation. However, our assessment changed somewhat when we looked just beneath the numbers. There, in the Summary of Audit Findings by Mission, Appendix IV, the data in the audit reveals a somewhat more positive picture. That is, in the 10 missions which did not yet have a PMP in full force, all but one already had one or more PMP components up and running. What this quick analysis suggests to us is that we both should spend additional time together to make sure we share a common understanding of what constitutes a complete PMP at any given point in time.

PMP's are important and we are working to improve the situation. Since we believe the issue is better implementation not more guidance *per se*, we will continue to work to get the message out through a variety of fora. We are incorporating the TIPs series into routine Agencywide training. We are strongly encouraging missions who have successfully implemented their PMPs to share their experience with their colleagues at regional workshops, sector reviews, etc. A good recent example of that are the regional workshops which AFR/DP and REDSO/ESA recently held in Eastern and Southern Africa. Another example is the summer series of supplemental seminars on strategic planning and performance measurement which we hold for field staff in Washington on other business. We believe this more "bottom-up" approach, combined with clearer guidance will help missions and other operating units finalize and fully implement their PMPs.

available. For example, the full TIPs series (PMPs, baselines, target setting, customer surveys, etc.) is now available electronically to every operating unit via USAID's intranet homepage. Through the "Resource Book on Strategic Planning and performance Monitoring Under Reengineering" we continue to try to ensure that all who provide technical assistance and training in strategic planning and performance measurement have a common frame of reference.

In addition, we have increased the level of effort and improved the focus of direct technical assistance efforts to missions with a focus on PMP. For example, USAID/Romania and USAID/South Africa, two of the cases cited in your audit, recently received direct hands-on PMP support from AID/W.

We believe that the timing and nature of your audit lead to the assessment that "it was too early to tell" for 8 of the 11 missions to what extent... performance information was being used to enhance program effectiveness. More recent experience with the review of the performance data in the 1996 R4s suggests more extensive use at the operational and certainly at the agency level. As the Agency begins the third year of R4 reporting, further use of this information to enhance program effectiveness is expected.

As already mentioned, the scope and methodology of the audit limit how it can be generalized beyond the 11-case sample. We would expect somewhat different outcomes with different sample or a sample which focused on areas where we have more experience and better performance measurement tools.

II. ISSUES FOR CLARIFICATION

1995-1996 Strategic Framework--The framework was developed in early 1995 to present in a graphical, hierarchical form, the Agency's *Strategies for Sustainable Development and Implementation Guidelines*. It has served USAID well by allowing us to map out what we do and the common approaches we use to achieve developmental results and impacts. It was not intended as a true "causal model" but rather a "taxonomy". The framework is one that shows how Agency goals, objectives, program approaches, etc. are linked not the complex web of cause and effect.

Although the framework could be easily misread as a causal model, that was never its design or purpose. For example, a causal model would include an in depth analysis of the developmental hypotheses, a review of critical underlying assumptions--the program or country context, and an assessment of best intervention strategies and practices, etc. We make this somewhat academic distinction here only because the Report criticized USAID/Ecuador (p.5) because the "mission did not address the other two environmental objectives, it is not as comprehensive as the Agency's environmental objective [Strategic Framework]".

comprehensive as the Agency's environmental objective [Strategic Framework]".

Potential for Over Precision

In a number of places (p. 10--USAID/Uganda; Appendix VI, p.1/1--USAID/South Africa), the Report cites the high degree of variability between reported and audited data. This raises a question and poses a larger measurement issue for all of us. Namely, to what extent can we reasonably hold missions accountable when the measurement properties of the phenomenon under consideration are not entirely understood, inherently unstable, or under-researched methodologically. Are we being too precise? We should be careful not to require unreasonable precision in such areas as target setting, data co-validation, and baseline accuracy where current statistical and modelling methods are themselves quite variable. In short, we should not hold missions to a higher standard than the measurements (impacts, baselines, targets) will reasonably allow.

Endnotes

1. The GPRA requires that USAID have an annual "agency" performance plan. We have that. The audit also appears to assume that the requirement for an annual performance plan extends to all operating units. We feel this is not a GPRA requirement. Hence, it is not part of USAID's current policy. Instead, USAID requires that its units (a) have multiyear plans with long term objectives and (b) report annually on progress toward the achievement of these objectives.

2. The sample included missions with strategies and performance plans developed prior to the October 1, 1995 issuance of the re-engineered ADS guidance which was the basis for the audit. It also included missions whose strategic plans had not yet been approved and thus were not yet required to have some of the FME elements audited, such as performance monitoring plans and systems. The sample was also not representative of USAID's full portfolio, since it only included missions with programs in civil society, natural resource management and/or biodiversity and the review did not cover the mission's full reporting, e.g. all SO's. While we are glad the audit looked at these difficult areas, they are areas in performance monitoring where it is recognized internationally that USAID is pushing the state of the art and where there is not yet technical and professional agreement on the validity and reliability of performance measures. Finally, this audit was implemented during the period of USAID's transition from its old to its new operating systems. USAID Transition Cable 1 (9/11/95) and Transition Cable 2 (9/20/95) explicitly state that a)...bureaus and operating units are expected to take the lead in adapting the new processes to their operations. Remember that there is no one answer to fit every case" and that "a transition period is required to fully implement these policies and essential procedures".

Glossary of Terms Used in the Report

The following definitions of terms used in the report are found in USAID's Automated Directives System Chapter 201, 202 or 203. These terms are listed in alphabetical order.

Intermediate Result (IR): A key result which must occur in order to achieve a strategic objective.

Management Contract: The management contract consists of the strategic plan (including strategic objectives and supporting results frameworks) together with the 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.

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 focused on the development and execution of a strategic plan.

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.

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.

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.

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.

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.

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.

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.

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.

Strategic Objective (SO): 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 five to eight years for sustainable development programs, but may be shorter for programs operating under short term transitional circumstances or under conditions of uncertainty.

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.

SUMMARY OF AUDIT FINDINGS BY MISSION

Audited Entity	Objective 1A (Strategic and Annual Plans)	Objective 1B (Performance Indicators)	Objective 1C (Data Collection System)	Objective 1D (Use Performance Data)
USAID/ Kiev	Yes	Yes , but the indicators and targets need further refinement	No , portions developed but need to complete its performance monitoring plan	Too early to tell
USAID/ Ecuador	Yes , but (1) need to redefine strategic objective, and (2) revise framework to include causal linkages	No , not consistent with Agency goals	No , a system only at the activity/sub-activity level. Did not support the indicators in strategic framework.	Too early to tell
USAID/ South Africa	Yes	Yes , however those indicators and the democracy program may no longer be needed because South Africa has already reached the goals set by the Agency.	No , in-development	Too early to tell

Audited Entity	Objective 1A (Strategic and Annual Plans)	Objective 1B (Performance Indicators)	Objective 1C (Data Collection System)	Objective 1D (Use Performance Data)
USAID/ Uganda	Yes	Yes , but the indicators need to be more direct, measure the intended results, practical and linked to USAID activities	No , collected data from partners, but not developed a comprehensive, ongoing system of data collection, aggregation and verification	Too early to tell
USAID/ Namibia	Yes	Yes	Yes	Yes , but too early to tell in some aspects
USAID/ Senegal	Yes	Yes , except that targets for 5 indicators not established and 3 indicators did not appear practical	No , the system did not ensure that the most recently available data was reported or were linked to what the Mission was actually accomplishing	Yes , used for program implementation decisions, but unclear how the Mission used data for budget and resource allocation decisions
USAID/ Morocco	Yes	Yes , except data on one indicator may not be reliable and the mission had not developed a system to retain documentation to support baselines, targets and report results	No , mission personnel did not always verify reported results	Yes , but mission had not noticed any linkage yet between their reported results and funding levels given to it by USAID/Washington

Audited Entity	Objective 1A (Strategic and Annual Plans)	Objective 1B (Performance Indicators)	Objective 1C (Data Collection System)	Objective 1D (Use Performance Data)
USAID/ Romania	Not applicable, the ENI Bureau did not require the mission to develop a plan until 1997. The mission did develop an annual plan which was consistent with the Agency's strategic framework.	Yes , but these indicators and their baseline values need to be defined more clearly	No , system needs to be complemented by a performance monitoring plan	Too early to tell
USAID/ Egypt	Yes , except one intermediate result did not have a plausible cause-and-effect relationship with the objective.	Yes , the indicators were consistent, but were generally not direct, objective, practical, and unidimensional.	No , the Mission had collected accurate baseline estimates and had established performance targets for one objective. For two other objectives, the systems were in-development because activities had not begun or had just begun.	For one objective, it was too early to tell, but the mission used other sources of information on results achieved. For two objectives, it was too early to tell.
USAID/ Russia	Yes	No , the mission did not have measurable indicators	No	Too early to tell

Audited Entity	Objective 1A (Strategic and Annual Plans)	Objective 1B (Performance Indicators)	Objective 1C (Data Collection System)	Objective 1D (Use Performance Data)
USAID/ Kazakstan	Yes, but some activities were in support of another objective.	Yes, but indicators and targets need further refinement to ensure that these are measuring the desired outcomes.	No, developed portions of a system for collecting and reporting accurate data. Not yet developed its performance monitoring plan.	Too early to tell

EXAMPLES OF PROBLEMS WITH INDICATORS, BASELINES AND TARGETS

- The audit of USAID/Ecuador found that the performance indicators for the strategic objective were not consistent with indicators at the Agency objective level, nor did they measure the intended changes in the environment resulting from USAID/Ecuador's activities. For example, under strategic objective 4, *The Environment managed for long-term sustainability*, the performance indicator is *Completion, approval, publication and implementation of a National Environmental Action Plan*. This performance indicator is not a direct indicator that measures the intended change in the environment; rather, it is an indirect indicator that relies upon attribution to assume that change has occurred and that the strategic objective is being achieved.

Additionally, the performance indicators in general were not precisely defined and explicit enough to measure performance in an objectively verifiable manner as illustrated with four indicators related to the implementation of legal or regulatory procedures. *Completion, approval, publication and implementation of a national environmental action plan (NEAP)*; *Unique biodiverse status of the Galápagos Islands protected*; *Completion, approval, publication and implementation of environmental law*; and *Environmental impact assessment strategy and regulations adopted* are indicators that have a unit of measure defined as the percentage of implementation or utilization. The methodology of measuring implementation and utilization, however, has not been defined, which results in an indicator that is imprecise, inexplicit, and subjective. An additional problem that further reduces their usefulness is that these indicators are multi-dimensional. The NEAP, for example, contains five distinct components which add to the difficulty of measuring the change in value and objectively verifying the results as defined by the unit of measure.

Problems also existed with performance targets and baselines. Specifically, baselines were undocumented and not derived from the original values and trends of the related indicators. Performance targets were also undocumented and not always realistic. Concerning the indicator, *Selected areas under management plans*, the management plan for the Galápagos national park was officially passed in June 1996. However, the baseline for this indicator, which is 1996, shows only 33,000 hectares out of a total of 733,000 hectares for the park. Since the plan was actually passed and implemented during the baseline year, the entire park should have been recorded in the baseline year instead of only a fraction of the total. With respect to documentation, we found that none of the indicators was supported by analysis explaining how the out-year targets were estimated and the performance related to Mission activities. For example, under the indicator, *Community-based income (gender desegregated) generated by sustainable income-generating options adopted in/around selected protected areas*, the unit of measure is cumulative thousands of U.S. dollars. The final target for this indicator is \$155,000, desegregated by gender with \$70,000 for men and \$85,000 for women for year 2001. USAID/Ecuador, however, could not provide any analysis to demonstrate how these figures were derived.

- USAID/Egypt had generally not yet developed performance indicators for its democracy activities which were direct, objective, unidimensional, and practical. Under strategic objective 3, "increased civil society organization participation in public decision making," USAID/Egypt had finalized 12 performance indicators but criteria for 8 of the indicators had not been developed and 3 of the indicators were not unidimensional (that is, one indicator was used to measure more than one phenomenon). For example, one indicator was the percentage of local plans (for development projects), for which operation and maintenance commitments are appropriate, that include and are meeting commitments to cover operation and maintenance needs. This indicator is not in accordance with USAID procedures because it attempts to measure two separate phenomena: (1) whether operation and maintenance needs are included in local plans and (2) whether operation and maintenance needs are being met. If both phenomena are of interest, then two indicators should be used to measure them.
- The audit of USAID/Kiev noted problems with the performance indicators and targets. For example, the two performance indicators at the SO level center around "citizens who understand the political process" and the "Number of citizens who participate in NGO activities." While these indicators can be quantified, that is measured through public opinion polls, these indicators do not seem to measure the stated Strategic Objective—"Increased, better informed citizens' participation in political and economic decision making." That is, measuring understanding of the political process does not mean that there is an increase in citizen participation in political decision making. Also, the selected indicators do not address an increase in citizen participation in economic decision making. Further, the current performance indicators cover only number of citizens who participate in NGO activities and who understand the political process, but do not measure the results of media programs, that is, an increase in better informed citizens. Media results and activities are a major facet in the effort to achieve this SO; thus, it seems to us necessary for the SO team to refine the performance indicator at the SO level to capture the outcome of the media programs in Ukraine.
- USAID/Senegal had not established targets for 5 of 20 performance indicators and 3 of 20 performance indicators had not been measured timely and thus, did not appear to be practical.
- USAID/Morocco had not developed a system to retain documentation to support baseline values, performance results and performance targets, which were listed in its results review report.

EXAMPLES OF INADEQUATE DATA COLLECTION AND REPORTING SYSTEMS

- USAID/Morocco developed a system for collecting and reporting performance data in its results review report for its natural resources management activities, but mission personnel did not always verify the mission's reported results. As a result, the mission reported incorrect performance results for three of the six indicators that pertained to natural resources management activities. For another indicator, the audit was unable to verify the reported performance result.
- USAID/Ecuador developed and implemented a system for collecting and reporting accurate performance data from its development partners; however, this system was limited to various data elements at the activity and sub-activity levels, and did not support the performance indicators in the mission's strategic framework. As a result, for the year 1996, the audit found three types of data collection or reporting errors. Specifically, the mission reported results that had not occurred, did not collect results that had occurred, and reported quantifiable results that were either unsupported or inaccurate.
- USAID/South Africa has been collecting data. However, it still needs to develop a comprehensive, ongoing system of data collection, aggregation and verification to ensure the quality and accuracy of performance data. For example, for three of the five indicators for which performance data was reported, there were differences between the reported and audited data ranging from 25 percent understated to 39 percent overstated. Also, in the case of one indicator, the information could not be verified at the grantee site because estimations rather than actual data was reported.
- Although USAID/Senegal had developed a system to collect and report performance information, the audit found that more current information could have been reported for 10 of 20 performance indicators and that 6 of 20 indicators appeared to be reporting more than what the mission was actually accomplishing.

**OFFICE OF THE INSPECTOR GENERAL'S AUDIT REPORTS
ON USAID MISSION'S IMPLEMENTATION OF THE
GOVERNMENT PERFORMANCE AND RESULTS ACT FOR
CIVIL SOCIETY, NATURAL RESOURCES MANAGEMENT
AND BIODIVERSITY ACTIVITIES**

- USAID/Moscow's Result Review and Resource Request (R4) for Civil Society Activities in Support of Democratic Transition (Report No. 8-118-97-004-P, November 22, 1996)
- Audit of the USAID/Egypt's Democracy Activities (Report No. 6-263-97-002-P, February 19, 1997)
- Audit of USAID/Senegal's Implementation of the Government Performance and Results Act for Environment–Natural Resources Management and Biodiversity Activities (Report No. 7-685-97-003-P, February 21, 1997)
- Audit of USAID/CAR's Implementation of the Government Performance and Results Act for Democracy–Civil Society–Activities in Kazakhstan (Report No. 8-115-97-005-P, February 26, 1997)
- Audit of USAID/Kiev's Implementation of the Government Performance and Results Act for Democracy–Civil Society–Activities in Ukraine (Report No. 8-121-97-007-P, March 7, 1997)
- Audit of USAID/Ecuador's Implementation of the Government Performance and Results Act for Environment–Natural Resources Management and Biodiversity-Activities (Report No. 1-518-97-001-P, July 23, 1997)
- Audit of OAR/Romania's Implementation of the Government Performance and Results Act for its Civil Society Activities (Report No. B-186-97-007-P, August 15, 1997)
- Audit of USAID/Namibia's Implementation of the Government Performance and Results Act for Environment–Natural Resources Management and Biodiversity Activities (Report No. 4-673-97-006-P)
- Audit of USAID/South Africa's Implementation of the Government Performance and Results Act for Democracy Civil Society Activities (Report No. 4-674-97-005-P)

- Audit of USAID/Morocco's Implementation of the Government Performance and Results Act for Environment–Natural Resources Management Activities (Report No. 7-608-97-009-P)

- Audit of USAID/Uganda's Support to USAID's Implementation of the Government Performance and Results Act for Natural Resources Management and Biodiversity Activities (Report No. 4-617-98-001-P)