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VERSION 1.0 | AUGUST 2013

HOW-TO NOTE

Preparing a Performance Management Plan

Monitoring and Evaluation Series

This Note outlines the format of a Performance Management Plan and provides step-by-step guidance to develop a PMP.

How-To Notes are published by the Bureau for Policy, Planning and Learning and provide guidelines and practical advice to USAID staff and partners related to the Program Cycle. This How-To Note supplements USAID ADS Chapter 203.

INTRODUCTION

This How-To Note provides an overview of the Performance Management Plan (PMP) and outlines practical steps for developing a PMP.

A PMP is a mission-wide tool to plan and manage the process of monitoring, evaluating, and analyzing progress toward achieving all results[1] identified in a Country Development Cooperation Strategy (CDCS) and project Logical Framework (LogFrame) in order to inform decision-making, resource allocation, learning, and adapting projects and programs. While PMPs are required and are auditable, they only need to be approved at the mission director level, not by Washington leadership.

RECOMMENDED FORMAT AND CONTENT

Experience has shown that four to six months after CDCS approval is the right timeframe to develop PMPs that include well-defined indicators at the Goal, Development Objective (DO), and intermediate result (IR) level, as well as currently planned evaluations. This timing should allow for collecting baseline data and establishing targets for Goal and DO indicators. As new projects are designed, the PMP will be updated to add or revise the necessary indicators and evaluation plans.

There is no standard format for PMPs, although examples can be found on ProgramNet. USAID missions should use a format that best fits their management and communication needs. The following summarizes the recommended sections of a PMP. Specific requirements are found in ADS 203.3.3.1 (see Figure 1). Each section should be concise. Moreover, these sections do not need to be unified in a single document (and for *performance indicator tracking tables*, it is preferred that they are kept in a separate spreadsheet, database, or information system).

INTRODUCTION OR OVERVIEW

This section introduces the PMP and may describe how it was developed. It may also provide a summary of how the mission organizes its performance management system and any overarching principles of performance management to which the mission adheres.

[1] "Results" include goals, development objectives, intermediate results, sub-intermediate results, project purpose and project outputs, as specified in a mission's CDCS or project LogFrame.

FIGURE 1: TYPICAL FORMAT OF A PMP

Content	Location
1. Introduction and Overview	In Main Document
2. The Results Framework Graphic	In Main Document
3. Performance and Context Indicator Summary	In Main Document
4. Data Quality Assessment Procedures	In Main Document
5. Evaluation Plan	In Main Document
6. Performance Monitoring Task Schedule	In Main Document
7. Other (PMP Budget, Learning Agenda)	In Main Document
8. Performance Indicator Reference Sheets	In Annex or Database
9. Performance Indicator Tracking Table	In Spreadsheet or Database

*Sections in **Bold** are required per ADS 203.3.3.1*

THE RESULTS FRAMEWORK

Although not required, it is best practice to include the CDCS results framework graphic or graphics (with the corresponding indicators for each result) in the PMP because it helps to understand the relationship between the CDCS results and their corresponding indicators. It also provides an overall picture of the strategy and how it will be monitored.

However, missions should avoid including narrative sections reiterating, revising, or summarizing their CDCS development hypothesis or results framework in their PMP. The risk of including an abbreviated version of the strategy in the PMP is that it could intentionally or unintentionally modify the strategy itself. Changes and amendments to the CDCS development hypothesis or results framework should be captured in the mission's CDCS documentation. Changes to the CDCS would then be captured in the PMP as the PMP is updated.

INDICATOR SUMMARY

The full set of performance indicators to measure progress for the CDCS results framework and project LogFrames, must be included in the PMP. One to three performance indicators per result is recommended. In addition, the PMP should include any context indicators needed to measure country context or critical assumptions.

A complete set of performance indicator reference sheets (PIRS), as described below, will meet this requirement, but missions may find it useful to include summary tables or graphics of the full set or a selection of higher level performance and context indicators.

Indicators from activity M&E plans that are not part of the Project LogFrame (and not included in a Project M&E plan) are not required in the PMP, but may be included. Similarly, any indicators included in the annual Performance Plan and Report (PPR) that do not measure the specific CDCS or Project results as described in the CDCS Results Framework or Project LogFrames are not required in the PMP, but may be included.

DATA QUALITY ASSESSMENT PROCEDURES

Data quality assessments (DQAs) are required for all externally reported indicator data at some time within the three years before submission of data to Washington (e.g., in the annual PPR). This section of the PMP should describe: 1) common Mission formats for DQAs, 2) a common location for approved DQAs, and 3) Mission specific procedures and best practices for conducting DQAs. Procedures documented in the mission order on performance monitoring regarding DQAs should also be referenced in this section of the PMP.

Although there is no prescribed method for conducting a data quality assessment, a recommended DQA checklist and procedures document is available on ProgramNet.

EVALUATION PLAN

The evaluation plan should identify all evaluations planned over the entire CDCS timeframe, plus additional out-years as necessary. Only those evaluations that the mission is actually planning to conduct (including those the mission has determined must be conducted) need to be included. Thus, while it is good practice to revisit and refer to the illustrative evaluation questions and impact evaluation opportunities identified in the CDCS, they do need not be included in the PMP as planned evaluations unless or until the mission has chosen to conduct evaluations to address those questions and opportunities.

At minimum the evaluation plan must include the following information about each planned evaluation:

- the DO/project/activity to be evaluated,
- the evaluation type (performance or impact),
- possible evaluation questions,
- estimated budget,
- planned start date, and
- estimated completion date.

The evaluation plan may include additional information relevant to successfully plan for evaluations. Missions should also consider the information that is required to be provided on an annual basis in the Evaluation Registry of the PPR. A sample evaluation plan template is available on ProgramNet.

PERFORMANCE MONITORING TASKS AND RESPONSIBILITIES

The performance monitoring tasks and responsibilities section should provide a schedule of the performance monitoring tasks that the mission will undertake over the life of the CDCS. It may take the form of a simple matrix that outlines the responsible office or officer and timing of each task, but may also go into more detail about the tasks and the various roles of staff involved. Tasks may include, for instance:

- ensuring data collection for indicators under a DO,
- conducting DQAs,
- updating the PMP with indicators as new projects are designed,
- analyzing performance data,
- coordinating the PPR process,
- disseminating performance information,
- designing and conducting evaluations, and
- conducting portfolio reviews and other learning events.

Roles and responsibilities for performance management are described more broadly in ADS 203 and the mission orders on performance monitoring and evaluation.

PERFORMANCE INDICATOR REFERENCE SHEETS (PIRS)

Performance indicator reference sheets document all the reference information about an indicator needed by persons responsible for data collection as well as end users of the data. Well-documented PIRSs help ensure reliable continuity of data collection (particularly important when there is staff turnover) and appropriate understanding and use of performance indicator data. Performance indicator reference sheets should not be used as repositories for the indicator data (see Tracking Tables, below). Performance Indicator Reference Sheets should be completed for all performance and context indicators. A recommended PIRS with instructions can be found on ProgramNet. Missions with performance information systems are encouraged to keep their indicator reference data in database fields linked to indicator data rather than as separate Word documents.

TRACKING TABLES FOR ALL INDIC-ATORS

Performance indicator data and context indicator data should be kept in a tracking table or information system for regular updating and analysis. Such data should not be stored in a PIRS. Tracking tables should include (at minimum) baseline values and dates, targets and rationales for targets, and actual indicator values for all performance indicators. Targets are not needed for context indicators. (An example tracking table is available on ProgramNet).

In order to facilitate data analysis and use for management purposes (including preparation for portfolio reviews), missions are encouraged to maintain performance monitoring information systems that not only serve as a repository for indicator data, but also enable analysis of indicator data collected for PMPs and project M&E plans. Basic spreadsheets or database applications that allow users to visualize and analyze trends in their performance data are preferred over keeping tables of indicator data in Word documents.

OTHER OPTIONAL PMP SECTIONS

Missions may include other sections in the PMP as needed. In particular, it is highly recommended that missions include a learning agenda in their PMP if they do not have a separate Collaboration, Learning, and Adapting (CLA) plan (See ProgramNet and Learning Lab for guidance and examples). Missions may also choose to include a section on budgeting for performance management or plans for local monitoring and evaluation capacity development.

STEPS FOR DEVELOPING A PMP: PHASE I

The following describes a series of steps for developing an initial PMP within six months of CDCS approval. During this initial PMP development (Phase I of Figure 2), the mission should prioritize the selection of Goal, DO, and IR performance indicators, along with baselines and targets for the Goal and DO indicators. Where missions have less certainty or incomplete analyses underpinning their IRs, they may consider waiting until their project design process to fully define IR level (project purpose) indicators since completing indicator reference sheets and collecting baseline data may involve significant resource investment.

This initial PMP process will overlap with the portfolio alignment of existing mechanisms following CDCS approval. As part of the alignment process, existing indicators with continued relevance (including those for lower level results) should be included in the mission's new PMP and those indicators no longer needed should be archived.

Indicators, baselines, and targets for other lower level results should be developed or updated following initial PMP approval as new projects are designed (Phase 2 of Figure 2).

In practice, the sequencing of the steps described below may vary and/or require multiple iterations.

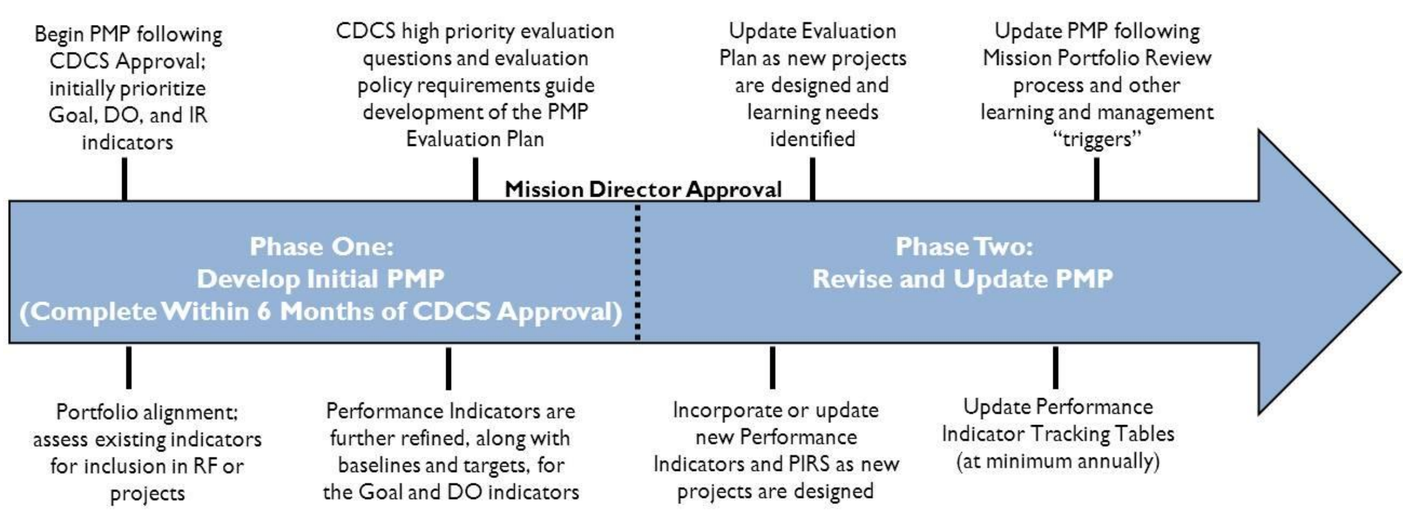
1. ASSEMBLE THE PMP TEAM

The program office monitoring point of contact (PMPOC) and others from the program office typically shepherd the PMP development process, but significant contributions from DO teams are fundamental to success. Each DO team should nominate a point of contact who will work within their team and with the program office as part of a PMP core team to develop and manage the PMP. Experience has shown that a team-based approach helps facilitate a shared sense of ownership among those who use the PMP and increases the likelihood that the PMP will be used effectively.

2. DEVELOP A WORKPLAN

Before kicking off the process across the mission, the core team should develop an outline for the PMP, establish the process for preparing the PMP,

FIGURE 2: PMP TIMELINE



and develop a draft workplan to share with the technical offices. The workplan may include:

- the major tasks to be completed
- the schedule
- a tentative list of responsible individuals; for example, who will draft the PMP sections and incorporate comments? When, how, who will provide input for the PMP?

In developing the workplan, missions should ensure that adequate time is scheduled for indicator development and the collection of baseline data for Goal and DO indicators. If these indicators require substantial new data collection (such as a household survey), then agreement on such indicators will need to occur during or immediately after CDCS approval.

INVOLVING EXTERNAL M&E EXEPERTISE

Missions considering whether to involve a consultant M&E expert to assist in the PMP development process should weigh the benefits and costs of a consultant and consider how their expertise will be employed. Consultant M&E experts can often contribute to a mission by facilitating the PMP process, building mission capacity on performance monitoring, and helping DO teams address critical monitoring issues.

On the other hand, a consultant M&E expert is unlikely to be as familiar as in-house staff with the mission's strategy. Also, the approaches, skills, and specialties of M&E experts can vary widely, so finding an appropriate fit is critical. The greatest risk of using an external M&E expert is that overreliance may decrease DO teams' ownership of the data, leading to poor understanding and under-utilization of performance information.

3. LAUNCH THE PMP

A PMP kick-off session led by the Mission Director or PMP core team helps to introduce the PMP to mission staff; set a shared goal of completing the PMP; and clarify workplan tasks, responsibilities, and deadlines. Participation by the Mission Director and all Mission staff at the launch can help reinforce the importance of the PMP.

4. HOLD PMP INDICATOR WORKING SESSIONS

The program office should organize PMP indicator working sessions for the goal indicator and each set of DO and IR indicators. High level context indicators may also be addressed at these sessions. While working with DO teams separately during these sessions may be the most straightforward way to approach these sessions, missions should consider "cross-pollinating" participation in these sessions to get a perspective from USAID staff external to the DO team. The development of project-level indicators for upcoming projects should be completed during the project design process, rather than the PMP indicator working sessions.

Four steps in these indicator working sessions include:

4a. Review the Results Framework

Make sure that the development hypothesis and key results terms are clearly understood. For example, if one result is "improved institutional capacity for delivering goods and services," ensure that a specific definition of "improved capacity" is shared among the team. As the teams revisit these results, keep potential indicators in mind.

4b. Review Existing Indicators

Staff should start with the indicators developed for the CDCS and indicators from aligned activities of the existing portfolio to determine if these are still the appropriate indicators. If the illustrative indicators listed in the CDCS were well developed during the CDCS process and remain relevant, then DO teams may be able to move directly to Step 4. Similarly if the indicators from aligned projects and activities remain appropriate under the new CDCS, then these can be incorporated "as is" into the PMP.

3c. Brainstorm and Select Indicators

For results in the Results Framework that need new or revised indicators, the team should brainstorm indicator ideas. Questions to ask include: "What data would indicate that the result is being achieved?" "What data would be useful for management purposes?" Refer to the How-to Note on selecting indicators for issues to consider when finalizing an indicator. Among the key points are:

- Select at least one but no more than three indicators to measure each result. The purpose of these indicators is to track progress on each expected result, not to cover every possible dimension of progress.
- Develop a clear and precise definition for each indicator.
- Consider the data source and the feasibility of obtaining the data.
- Consider potential data quality issues. Identify how those issues can be addressed.

3d. Revisit and Revise

Hold as many sessions as necessary to reach agreement on the performance indicators. Once these are shared with external partners and feedback from partners is obtained, hold additional working sessions to process the comments.

4. COMPLETE THE PERFORMANCE INDICATOR REFERENCE SHEETS

As indicators are selected, the team can begin filling in the required fields of the performance indicator reference sheet for each indicator. If the teams also identified indicators for lower level results and the relevant projects have not yet been designed, they should wait to complete the PIRS for these indicators until after these indicators are refined during the Project Design process.

5. ESTABLISH BASELINES AND TARGETS

Baselines and targets should be established once the indicators are finalized. For initial PMP approval, this should include baselines and targets for the Goal and DO level indicators. Baselines for lower level results should be conducted as soon as possible after the approval of Project or Activity M&E plans. If the PIRS for an indicator notes that it is to be disaggregated for analysis, then baselines and targets should also be set for each disaggregation. As the team identifies baseline and targets, minor adjustments may need to be made to how the indicator is defined in the PIRS.

INVOLVING EXTERNAL STAKEHOLDERS

In planning the PMP development process, the team should consider how, when, and who to engage in the development of the plan. Potential stakeholders may include government officials, other donors, implementing partners, and local NGOs and private sector actors.

Key stakeholders may be involved as early as the first round of PMP development sessions. Another approach is to develop a preliminary set of indicators for the results framework and share them for comment with key stakeholders. Either way, involving others in the process is critical to (a) creating stakeholder buy-in, (b) ensuring a clear understanding of the larger objectives being sought, (c) streamlining systems, (d) improving data quality, and (e) avoiding potential pitfalls during data collection.

6. HOLD EVALUATION PLAN WORKING SESSIONS

The program office should work with DO teams to identify the evaluations that will go into the initial mission evaluation plan. This should include consideration of:

- whether previously planned evaluations should go forward,
- which current or planned projects must be evaluated according to ADS requirements (i.e. large projects and pilot activities),
- which, if any, of the illustrative high priority evaluation questions and opportunities for impact evaluations listed in their CDCS the mission actually plans to conduct, and
- any other non-required evaluations the mission plans to conduct to serve learning and/or accountability needs.

At the initial PMP approval, many of the details of planned evaluations, such as budget amounts, may not yet be decided. Such information should be added to the plan as decisions are made and included in the PPR evaluation registry on an annual basis. In addition, following the completion of new Project Designs, the evaluation plan will need to be updated with information from the Project and Activity M&E plans.

The program office should work across DO teams to rationalize the schedule of evaluations to ensure adequate time to contract evaluators, avoid bottlenecks, balance workload, and meet decision-making needs.

7. COMPLETE THE REMAINING SECTIONS

Following the completion of indicator reference sheets and the evaluation plan, the program office, with support from DO teams should revisit the schedule of tasks and responsibilities, and complete any remaining sections including the introduction and data quality assessment procedures.

8. MISSION DIRECTOR APPROVAL

The Mission director approves the initial Mission-wide PMP upon completion of (at minimum) the required sections of the PMP and the Goal, DO, and IR performance indicators, along with baselines and targets for the Goal and DO indicators. Mission Director approval is not required on the iterative updates made to the PMP throughout its life. However, the mission portfolio review is an appropriate time for a Mission Director to review and approve any changes to the set of higher level indicators or planned evaluations.

PHASE II: UPDATE, SHARE AND USE

UPDATE

As new projects are designed and approved, indicators and evaluations from project M&E plans should be incorporated into the PMP. Although the PMP is approved by the mission director at the end of Phase I, the PMP is not truly complete until all projects under a CDCS are designed and their M&E plans are incorporated into the PMP.

Even then, the PMP should be considered a “living document” that is regularly updated and revised, as needed. Indicators and evaluations may need to be revised or added in the PMP as learning occurs, context changes, or new learning gaps are identified. Preparation for the portfolio review is an ideal time to analyze performance indicator data and update PMP indicators, task schedules, and evaluation plans. Finally, as indicator data is collected or new baselines and targets are set, tracking tables should be updated throughout the year, but at minimum on an annual basis.

SHARE

It is critical to share the relevant parts of the PMP with any external entities reporting into USAID’s performance management system and other stakeholders. For instance, the mission should share the PIRSs with implementing partners who are responsible for reporting data to USAID and actively collaborate with these partners to revise and improve the PMP.

USE

The PMP should ultimately be used to aid decision-making. One best practice is for DO teams to review performance data against targets across the results framework with key partners as part of or in preparation for the mission portfolio review. This provides an opportunity to shift the focus away from day-to-day activity oversight and toward program-level progress.

ADDITIONAL RESOURCES

Performance Indicator Reference Sheet Template:
https://programnet.usaid.gov/library/recommended-performance-indicator-reference-sheet

Draft Multi-Year Evaluation Plan Template:
https://programnet.usaid.gov/library/draft-multi-year-evaluation-plan-template

Data Quality Assessment Checklist for Performance Indicators:
https://programnet.usaid.gov/library/recommended-data-quality-assessment-checklist

Program Cycle Learning Guide:
https://programnet.usaid.gov/library/launch-program-cycle-learning-guide

Performance Indicator Tracking Table Example:
https://programnet.usaid.gov/library/performance-indicator-tracking-table-example