

The “CREAM” of Good Performance

Indicators should be:



Clear - Precise and unambiguous

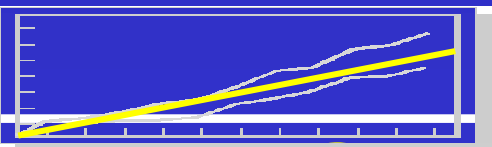
Relevant - Appropriate to subject at hand

Economic - Available at reasonable cost

Adequate - Sufficient to assess performance

Monitorable - Amenable to independent

validation



PPMS

Design Indicators Module

When Reviewing Indicators in the Project Framework

- There should be at least one indicator for each statement in the Design Summary Column
- There can be *several* for any one outcome
- Ensure that the interests of *multiple stakeholders* have been considered
- Understand that over time or at different stages, it is acceptable (*and expected*) that *new indicators may be added and old ones dropped*

Proxy Indicators

Use indirect measures (proxies) when data for direct indicators are not available or feasible to collect at regular intervals

Example...

Number of new tin roofs (or televisions) as a proxy measure of increased household income

Suggest Proxy Indicators

Direct indicators are *not always* practical.

Data gathering may be:

- Too Difficult
- Too Expensive

Proxy indicators are:

- Less Precise
- But More Efficient
- And *Just as Effective* in Discerning Trends.

Proxy Indicators

FOR EXAMPLE: Measure the Prevalence of items on which the target group's Disposable Income is / would be spent; Rather than trying to measure their Household or Per Capita Income directly.

Project Target Beneficiaries are often a useful source for obtaining (&/or confirming) appropriate proxy options.

Every Indicator Statement *should have* a Baseline and Target

- **Baseline of xxxxxxxxxxxx at (date)**
- **Targets of xxxxxxxxxxxx at (date)**

*i.e. Farm Incomes for defined project area will
rise*

from \$100 in 2000

to at least \$200 by 2005.

Lagging and Leading Indicators

Lagging measures

- Confirm what has already happened

Leading measures

- Warn of impending situations

Leading measures are more effective for project management & control, as they provide time to manage problems

Lagging & Leading Measures

HEALTH

Lagging: Aggregate annual morbidity and mortality statistics

Leading: # of *Dengue cases reported in an area*
- *indicate potential public health problem*

UNEMPLOYMENT

Lagging: Annual unemployment statistics

Leading: # of *job advertisements in newspapers*
- *indicate vacancies and potential need*

**Most project indicators
in current use
are
“Lagging” Indicators**

When Selecting Project, Program, or Policy Indicators

- Consider several for any one outcome
- Make sure the interests of multiple stakeholders are considered
- Know that over time, it is acceptable (and expected) to add new ones and drop old ones

Target Definition

A Target is
an explicit statement of
desired Results
for an Indicator
at a specified *point in time*

Targets should be expressed in terms of
Quantity
Quality **and**
Time

Pre-Designed Indicators*

Several development agencies have created lists of indicators:

- World Bank – Rural Development Handbook
- IMF – Macroeconomic indicators
- International Development Goals (IDG)
- UNDP – Sustainable Human Development

** Pre-defined indicators are indicators established independent of the context of any individual country*

Using Pre-Designed Indicators:



Pros

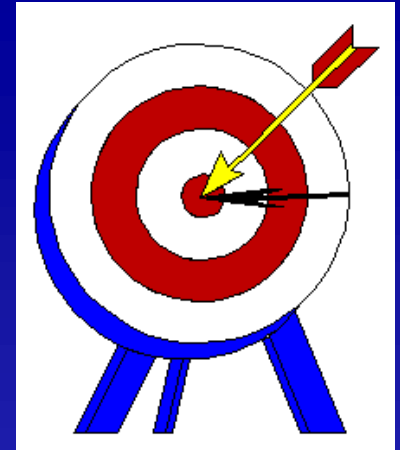
1. **Can be aggregated across similar projects / programs / policies for comparative analysis**
2. **Reduces costs of building multiple unique measurement systems**
3. **Creates greater harmonization of donor requirements**

Using Pre-Designed Indicators:

■ Cons

1. **Multiple competing indicators**
2. **May not address country-specific objectives**
3. **Often viewed as imposed - coming from the Top down**
4. **Does not promote stakeholder ownership**

Target Criteria



Targets should be:

- **Appropriate**
 - to the situation
- **Attainable**
 - in the timeframe
 - with the resources available

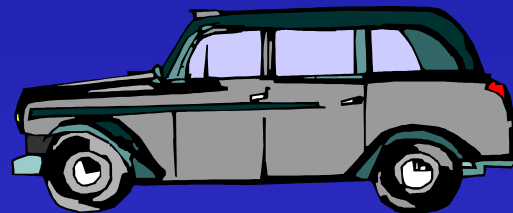
Target Precision

- Data collection consumes Resources
 - *time, money and effort.*
- “80 / 20” rule
 - 80% of the data needed can be obtained with only 20% of the resources.
 - Obtaining the remainder consumes the other 80%
- Therefore Indicators should be as Few, and Targets as Inaccurate as is *permissible!*

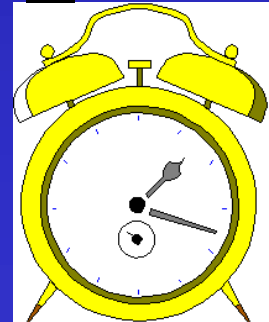
Targets should be expressed in terms
of
Quantity



Quality



and Time



Baseline data is

essential

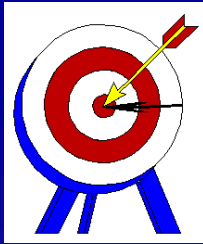
for 1. “Before-After” measurement

& desirable

for Control Group

2. “With-Without” comparison

Common Problems with Indicators & Targets in Project Frameworks



- **No indicators for Development Objectives**
- **Indicators selected are not appropriate to the Level**
- **Indicators focus on minor aspects**
- **No Targets for Indicators**
- **Targets not Quantified -- i.e. “More” “Better”**
- **No Baseline Data**

The Project PURPOSE & INDICATORS

Should reflect the Change from the current situation &/or expected Improved Behavior by the target beneficiaries i.e. the anticipated “*Value-Added*” as a result of the Project intervention & provision of the “**OUTPUTS**” (*Funding, Technical Assistance, Training, Infrastructure Development, Equipment, Supplies &/or Services*)

**The General “Objective” OF PROJECTS
is be able to do “MORE / BETTER”
than the current situation**

by Improving
EFFICIENCY
&/ or
EFFECTIVENESS

A black stick figure is depicted in a dynamic, juggling-like pose. It is holding a telephone receiver in its right hand, a stack of papers in its left hand, and a calendar in its right hand. The figure is positioned to the left of the main text, appearing to be in the middle of managing these items.

JUDGING SUCCESS

R elevance

E ffectiveness

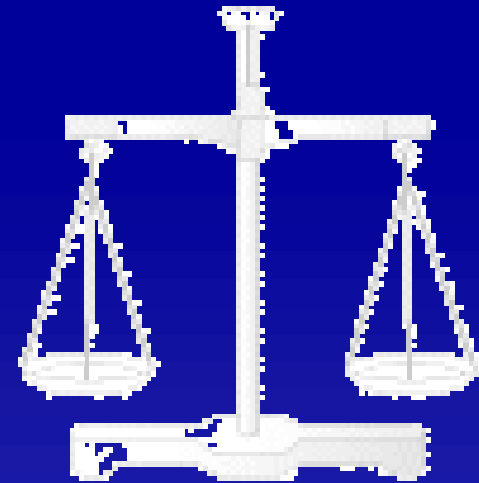
E fficiency

S ustainability

I nstitutional Development

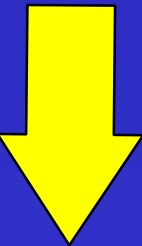
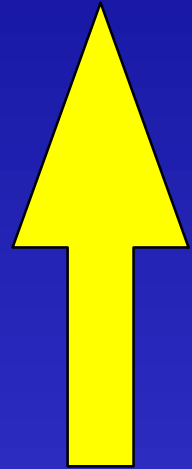
Is Measured at completion, and several years after

Thus: *REESI* Indicators should be incorporated into
the design



TYPICAL ‘PURPOSE’ LEVEL EFFECTIVENESS INDICATORS are

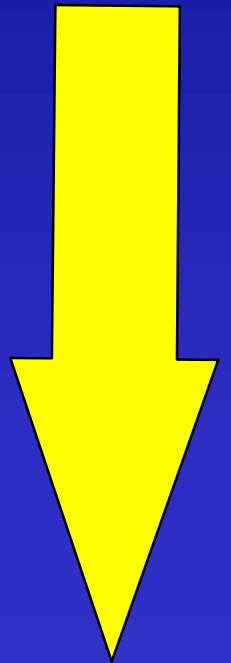
- Increased QUANTITY
- Improved QUALITY
- Extended OUTREACH
- Improved TIMELINESS
- Reduced RISK/UNCERTAINTY



**TYPICAL EFFICIENCY INDICATORS
- for PURPOSE &/or OUTPUT LEVELS -
are**

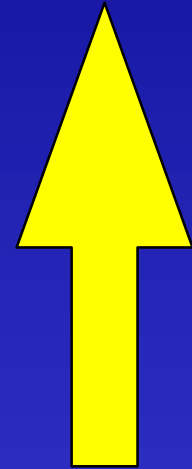
REDUCED

- **PROCESSING TIME**
- **COSTS**
- **PERSONNEL/ LEVEL of EFFORT**
- **WASTE/MISUSE of RESOURCES**



TYPICAL “OUTPUT” LEVEL INDICATORS MEASURE

- QUANTITY,
- QUALITY &
- TIME



[Note: Some Outputs may be delivered before the end of the Project]

NOTE:

- **While the Project Framework -- *and subsequently the Project Performance Report* -- highlights the Project's Key Indicators and Targets, it is not the only location for such data.**
- **More detail -- *particularly data pertaining to technical Output indicators, targets and EFFICIENCY* -- can be found in other documents, and should be tracked by the EA's PMU/PIU, &/or the Implementing Contractor's Management Information System (MIS).**

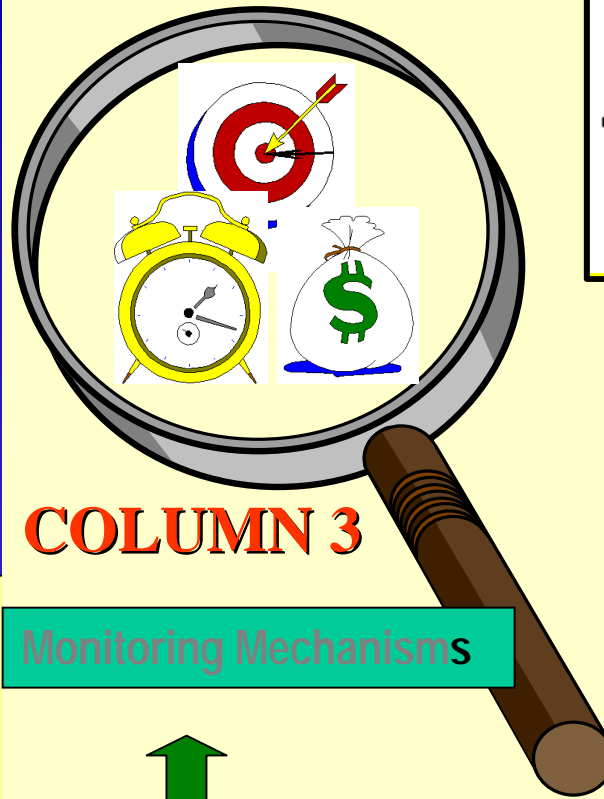
TYPICAL ACTIVITY LEVEL Performance INDICATORS are

- **Tentative** SCHEDULE Estimates:
 - **START** Date:
 - **COMPLETION** Date:
- **RESPONSIBILITY** Identification
 - **Organization or Individual**

TYPICAL INPUT LEVEL Performance INDICATORS are

- **Funding Levels &/or**
- **Level of Effort (Person Months)**

ADB's Project Performance Management System (PPMS); the Project Framework



COLUMN 3

Design Summary

Indicators & Targets

Monitoring Mechanisms

GOAL

PURPOSE

OUTPUTS

ACTIVITIES

INPUTS

WHERE THE INDICATOR &
TARGET DATA SHOULD BE FOUND

ADB's Project Performance Management System (PPMS); the Project Framework



Design Summary

Indicators & Targets

Monitoring Mechanisms

GOAL

PURPOSE

OUTPUTS

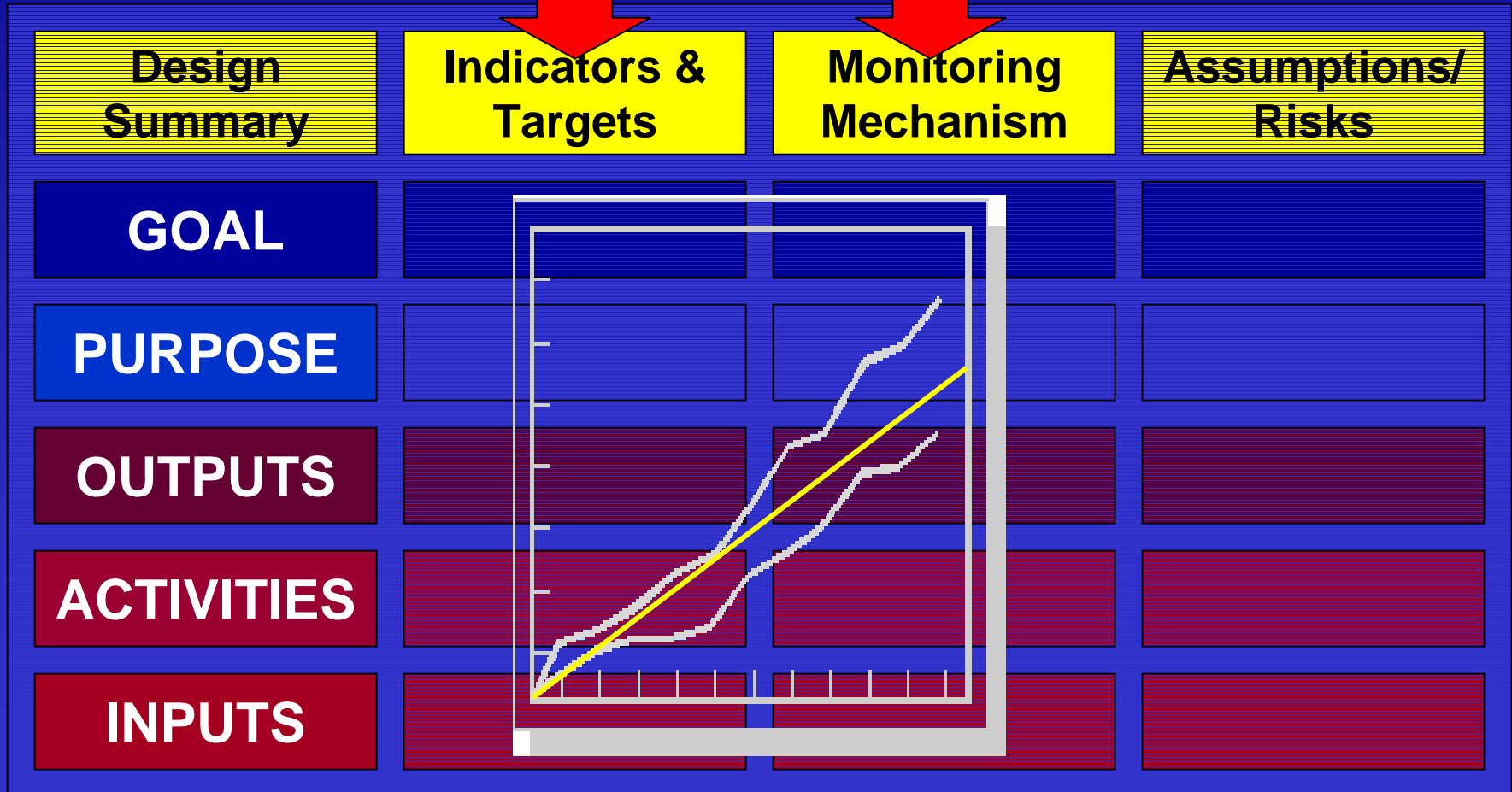
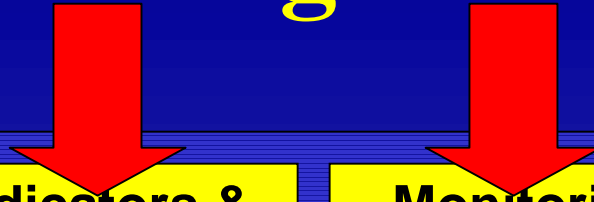
ACTIVITIES

INPUTS

WHERE THE INDICATOR & TARGET DATA SHOULD BE FOUND. I.e. National Statistics Offices, Ministry Records, Project Reports, Special Surveys, Mission Reviews, etc.



Indicators for the PPR should come from the Design Framework



Indicators- Risks and Assumptions

- the project manager (EA) needs to monitor *all* Risks and Assumptions
- particular focus at Output and Purpose level

Benefits of Performance Measurement to DMCs and EAs

- greater public and voter satisfaction
- clear management and staff expectations
- Greater job satisfaction

With the Project Framework

- easier process for project approval anticipated
- consistent basis for monitoring and evaluation
- easier to measure and report project performance

Remedial Action

On New projects

- Required in the Project Framework but can be 'vague' -- *What can be done?*
- *Early in the project ask consultants to propose indicators, targets and sources*

On Existing project PPRs

- No firm indicators, no baseline or target values -- *What can be done?*



Helping EA and DMCs have improved MIS

Revisit the data source.....

- The source of the data can be a major issue, and in many cases requires additional data capturing techniques.

Helping Government Agencies

- understand indicators
- establish a set of structured indicators
- build indicators into their management information system
- improve presentation skills of Agencies and Monitoring Units
- ensure indicator selection occurs at project proposal time and uses what is available (as far as possible)

Sources of Indicators

- DMC current indicators
- Similar projects
- consultant proposals based on similar projects
- Sector specialists within the Bank
- Country Assistance plans of the Bank
- Other Lending Agencies (World Bank, UNDP etc)

Data capturing techniques...

- Extraction of current measures from our own systems
- Extraction of data from other agency systems
- Specific sampling for required data
- Implementation of new systems
- Use of surrogate data

If none of these options are satisfactory, then we should amend the measure

Possible arrangements....

- Ministry agreement
- Regulation
- Collaborative agreement
- Voluntary based upon expectations
- Contract conditions with providers
- Loan agreement conditions
- Legislation
- Buy the information

New Systems.....

- Leverage off existing systems
- Update existing system
- New data collection and processing systems
- Integration with the mainstream of the organisation
- Costs and commitment
- Data cycles (annual, project life)

Motivation and Accountability

- Indicators should meet CDO test
 - relate to some *consequences for success or failure*
 - Identify and trigger the need for a **decision**
 - Be ‘**owned**’ by someone who will be held accountable for results

Summary

- Specific indicators and targets are required
- Seek indicators at time of fact finding
- Rely on building MIS of EA and DMC

