

Introduction

This resource supplements [ADS 201.3.5.7](#) and offers guidelines and good practices for USAID and its partners to set targets for performance indicators, use targets to compare to actual data, and adjust targets when necessary.

WHAT IS A TARGET?

A *target* is a specific, planned level of a result to be achieved within a specific timeframe with a given level of resources. In setting a performance indicator target, USAID and its implementing partners (IPs) turn statements about expected results from planning documents into a measurable quantity against which future progress can be objectively compared.

WHY ARE TARGETS IMPORTANT?

Targets help USAID staff, IPs, and other partners determine whether progress is being made according to expectations originally envisioned. When actual data deviate significantly from a set target, it should trigger adjustments in expectations for results or adaptations in program implementation or design.

ARE TARGETS REQUIRED?

Targets must be set for performance indicators. When useful for programming or learning purposes, targets should also be set for indicator disaggregates. For more information on disaggregation, see the [Additional Help: Disaggregating Monitoring Data](#). Targets should be ambitious but achievable given USAID inputs. Missions and Washington Operating Units (OUs) are accountable for assessing progress against their targets.

WHO SETS TARGETS?

The responsibility of setting targets and collecting performance information ultimately falls on the OU responsible for the indicator in question. In practice, setting targets is usually a collaboration between USAID staff and the IPs expected to produce the result being measured. For more information on roles and responsibilities for setting targets, see [Additional Help: Staff Roles and Responsibilities for Monitoring, Evaluation, and Learning](#).

WHEN ARE TARGETS SET?

Missions and Washington OUs, in consultation with the relevant IP(s), as needed, must establish targets for each performance indicator prior to reporting actual data. While preliminary targets may be set early in the strategy and project design phases of the Program Cycle, Project and Activity Managers are encouraged to work with IPs and other stakeholders to set performance indicator targets once baseline data have been collected.

WHERE ARE TARGETS STORED?

Targets must be stored in an indicator tracking table or monitoring information system. Project and Activity Managers are also recommended to document the rationale for how a target is set. Rationales for targets aid in understanding any actual or reported deviations from targets and help ensure continuity of target setting over time. Rationales for targets should be maintained and updated as necessary in a [Performance Indicator Reference Sheet \(PIRS\)](#).

Basic Target Setting

Target setting for a performance indicator requires setting both the timeframe for reaching the target and the specific value of the target.

THE TARGET TIMEFRAME

Some performance indicators are required to have targets at specific timeframes. Performance indicators for each Intermediate Result (IR) and sub-IR identified in the Country Development Cooperation Strategy (CDCS) Results Framework must have an end-of-CDCS target. Performance indicators for each Project Purpose in an approved project design must have an end-of-project target. Performance indicators that are included in the annual Performance Plan and Report (PPR) must have annual targets and these must be set for the current fiscal year plus the next two fiscal years. All of these indicators may also have more frequent targets, but should, at minimum, have targets set at these timeframes.

For all other performance indicators, targets should be set at the most appropriate time intervals as determined by Project or Activity Manager. Typically, targets are set at the same interval as the data are reported to USAID; however, this need not be the case. Indicator data that are reported to USAID on a quarterly basis may only have annual targets if that is considered more appropriate or useful for management purposes. In setting the timeframe for the target, managers should consider not only how often the data are collected and reported, but also the extent of change that is expected from one time period to the next. For instance, if performance indicator data that are reported quarterly are not expected to change much from one quarter to the next, then a yearly target might make more sense.

THE TARGET VALUE

Performance indicator target values should be expressed in the same data type as the performance indicator baseline and actual data. For instance, if the performance indicator is the number of the staff trained, then the target should be a count of staff trained, not a percentage change in the number of staff trained.

Although performance indicator targets must be set as a specific value, managers may find it useful to also specify and document an acceptable target range along with the specific target value. An acceptable target range is a range of values above and below the specified target which are equally as acceptable as the specific target. It is rare that a single value is the only acceptable expected value for an indicator. If an indicator value does not exactly match the target but falls inside the acceptable range, then it may indicate that no action is needed. For example, in the annual PPR, a deviation of less than 10% of the target does not require a deviation narrative. This is because it has been determined that the values

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within 10% of the target are all equally acceptable. Conversely, if an indicator value falls outside of this acceptable range, it might indicate that some action should be taken.

GOOD PRACTICES FOR SETTING TARGETS

The Bureau for Policy, Planning, and Learning recommends the following good practices to help ensure a strong process for setting performance indicator targets:

- *Know your intervention.* Setting targets requires understanding how and why an intervention is expected to produce results. What is the theory of change? What resources will be available to the intervention?
- *Know the expected pace of the intervention.* Is there a start-up period that will occur before actual activity implementation begins? Will the work plan tasks be scheduled according to seasonal cycles? Will the intervention phase down at some point? How long will it take for outputs to translate into outcomes?
- *Know your context.* The context where you are working will affect what you can achieve. Know the population that you are trying to affect and the technical sector and operational context in which you are working.
- *Know the history of your indicator.* Review the baseline data and any historical trend data for the performance indicator if they are available. Past data may help indicate future performance.
- *Be consistent in setting targets throughout a logic model.* Do not set a performance indicator target in isolation from other relevant results. Results at one level in a logic model affect the results in other levels of a logic model. Performance indicator targets for end outcomes should be consistent with performance indicator targets for intermediate outcomes and performance indicator targets for outputs within the same results chain.
- *Be transparent and engage your stakeholders.* IPs and other stakeholders should be engaged to ensure that targets are understood and acceptable. This concept is especially important between Contracting Officer's Representatives/ Agreement Officer's Representatives (CORs/AORs) and IPs as a way of creating shared expectations.

FINALIZING TARGETS

Whether targets are proposed by an IP or developed by USAID staff, setting performance indicator targets is ultimately the responsibility of USAID. Project and Activity Managers should ensure that performance indicator targets are approved within the timeframe specified in project or activity documents or according to the procedures described in their performance monitoring Mission Order.

Output and Outcome Target Setting

There is a difference between setting targets for output indicators and outcome indicators. The section below addresses output indicator targets and the following section addresses outcome indicator targets.

CONSIDERATIONS FOR SETTING OUTPUT TARGETS

Outputs are the tangible, immediate, and intended products or consequences of an activity within USAID's control or influence. They are what are produced as a direct result of inputs.

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When setting targets for output performance indicators, it is useful to consider both supply and demand for those outputs. On the demand side, it is important to consider who will be receiving the output and how much of the output will be desired. For instance, consider an intervention that plans to train healthcare workers to decrease infection rates in health care facilities. If the output indicator is *number of health care workers trained*, it is useful to know how many health care workers are eligible for the training and if any will be required to take the training as part of their job. If the training is voluntary, market research might be needed to determine how many would be interested in taking the training.

On the supply side, the level of outputs that a USAID intervention will produce is dependent on the extent of resources that USAID and its partners put into the intervention, the speed at which those resources are mobilized, and the process by which those resources are transformed into outputs. For the *number of health care workers trained* indicator example, it should be possible to determine how much it costs to train a health care worker based on understanding the costs of the inputs to the training (e.g., instructors, texts, and facilities) and the quality of training that will be delivered per person. A one month training course, for instance, will likely cost more per person than a one week training. With that information, it will then be possible to calculate the overall number of health workers that may be trained in a specific timeframe based on the overall budget for training and how quickly the training courses can be created and delivered.

It is possible to create a range of acceptable targets by calculating expected supply of outputs and estimating the level of demand for those outputs. For example, if an activity budget allows for 400 health care workers to be trained, but there are only an estimated 300 health care workers in the targeted geographic area, it can be assumed the target will not exceed 300. An acceptable target range might also consider previous attendance rates of similar trainings, the degree to which the target health care worker population is already trained, and the location of the training. If average health care worker training attendance is 30% and this training is the first centrally-located training opportunity in a year, an acceptable target range for number of health care workers trained might be 90-135 health care workers or 30-45%. A final consideration for setting the output targets concerns the relation of the outputs to outcomes. As noted in the previous section on good practices, it is important to consider how the outputs are related to outcomes and to set these targets together.

CONSIDERATIONS FOR SETTING OUTCOME TARGETS

Outcomes are the conditions of people, systems, or institutions that indicate progress or lack of progress toward achievement of project/activity goals. Outcomes are any result higher than an output to which a given output contributes but for which it is not solely responsible. They may be intermediate or end outcomes, and short-term or long-term outcomes. In setting targets for outcome performance indicators, the task is to consider how a targeted amount of intervention outputs are transformed into a specific outcome target.

Because outcomes are affected not only by outputs, but also by factors outside of the control the intervention, setting targets for outcome performance indicators is typically a more complex task than setting targets for output performance indicators. Complexity increases as you move from intermediate outcomes to end outcomes. For instance, in the example of training healthcare workers, the intermediate outcome of improving the knowledge of health care workers will depend not only on the quality of the training, but also on the knowledge the health care workers bring to the training course and how

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receptive they are to the information they are taught. An end outcome of decreasing infection rates in health care facilities will depend on even more external factors, including the behaviors of healthcare workers who did not attend the training course but work in the same facilities as those who did attend the training.

Despite these difficulties, there are a variety of tools that can help in setting targets for outcome performance indicators. These include:

- *Reviewing historical trends.* As previously noted, knowing the baseline is an important first step in setting targets, especially for outcome targets. Examining historical trend data for your indicator or similar indicators is even better. Past trends do not predict the future, but knowing if the indicator is on an upward or downward trajectory or if it fluctuates widely from season to season can help in suggesting an initial target.
- *Disaggregating your data.* Disaggregating indicator data is often useful for target setting if you expect that an intervention is likely to affect some populations more than others or have a greater effect in some geographic areas more than others. It might help to set targets for each disaggregated group separately and then aggregate them to develop a more robust overall target. Disaggregating data can also help in understanding the range of possible target values, as the status of groups with better outcomes at baseline may serve as a useful target for groups with worse baseline outcomes. For more information on data disaggregation see [Additional Help: Disaggregating Monitoring Data](#).
- *Consulting with stakeholders and experts.* Local stakeholders and technical experts are an excellent source for target setting. Technical experts, including USAID staff, IPs, and outside experts who have knowledge of USAID's programmatic approaches, can provide helpful information about what is realistic with respect to the outcomes that can be achieved with a particular type of intervention. Local stakeholders, including end users and beneficiaries, can also provide valuable insights on what might be possible to achieve in their particular context in a given period of time. There are a number of methods that can be used to solicit expert and stakeholder judgments, including surveys, key informant interviews, and focus group discussions.
- *Reviewing evidence from similar programs or research.* Past programming by USAID or other donors can provide evidence to help in setting targets. Impact evaluations are particularly helpful as they attempt to estimate the size of the effect of the program over a specific timeframe. Assessments, performance evaluations, and pre-design documents may also be helpful to inform outcome target setting.
- *Examining similar contexts.* Outcome data from similar contexts may be useful as benchmarks for target setting. For instance, if an education intervention is implemented in one low performing geographic area of a country, examining education outcomes in higher performing, but demographically similar areas of the country may help in determining what outcome targets are feasible.

Comparing Indicators Against Targets

As performance indicator data are collected and reported, managers should review the data and compare it to performance indicator targets at regular intervals. Such reviews may be part of regular COR/AOR reviews of quarterly or annual reports, project reviews, or portfolio reviews. Actual performance indicator data rarely hit targets exactly. Failure to meet a target is not necessarily a problem and exceeding a target is not necessarily a success. However, if the actual data are outside the expected or acceptable range around a target, it should prompt further investigation or action to understand why. Such an investigation may be as simple as a discussion with the IP or as involved as commissioning a performance evaluation. As a result of such an investigation, managers may choose to:

- Adjust the targets for upcoming implementation years;
- Change the performance indicator to better align with expected results; and/or
- Adapt the intervention to reflect new evidence about the theory of change or the context in which the intervention is operating.

Following any investigation into why actual data fell outside the acceptable target range, managers are encouraged to explain the deviation in a performance indicator tracking table.

As already mentioned, reporting guidelines for the PPR require that Missions provide a deviation narrative when the actual values for an indicator reported in the PPR are 10 percent above or below the target. A Mission may use more stringent margins if the Mission considers it appropriate. For example, a Mission may determine that five percent is a more appropriate margin to trigger a deviation narrative requirement for indicators that measure critical public health changes. This is also a way to ensure a Mission is being both ambitious and realistic in its target setting.

Comparison of actual data to targets is also required at the end of a USAID project as specified in the Project Appraisal Document Approval Memorandum. As noted in [ADS 201.3.3.17](#), within 90 days of the end of a project, Missions must summarize, in writing, progress toward achievement of the Project Purpose and end-of-project targets for key project performance indicators. Where the deviation between a target result and actual result is significant (a deviation of 10 percent or more), the document should provide an explanation as to the Project Team's best understanding, based on existing materials and sources, of why this deviation occurred. Reasons may include, but are not limited to:

- Errors underlying the theory of change revealed over the course of implementation;
- Shifts in the operating context;
- Internal shifts in funding or priorities that required a re-scoping of the project design; and/or
- An explanation of why end-of-status indicators did not adequately capture results actually achieved.

Adjusting Targets

Learning and adapting is expected to occur over the course of a project and/or activity. As interventions are implemented, more information becomes available that may influence target setting. Targets may be adjusted to reflect changes in context or implementation approach, although caution is recommended. Adjusting targets is most likely to occur during the middle of implementation, when context changes are

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clear or the implementation approach has stabilized. It is not recommended to change targets too early in the implementation phase or to change current year targets. Some questions to consider before adjusting indicator targets include:

- *Actual outcomes.* How have actual outcomes aligned with what was expected to happen with the project or activity?
- *Work plan and implementation approach.* Is the work plan on schedule? Has the implementation approach changed?
- *Critical assumptions.* Have assumptions held true? If not, how have they changed?
- *Resources.* Have resource levels changed from the time the target was set?
- *Stakeholder input.* What are stakeholders saying?

Missions and Washington OUs have the authority to approve changes to targets for strategy and project level indicators. At the level of an activity, the COR/AOR or Government Agreement Technical Representative (for government-to-government agreements) approves changes to the performance indicator targets in collaboration with the partner. If it is determined that targets should be changed, then efforts should be made to document the reasoning. USAID staff should refer to Mission-specific processes for approving and documenting changes to targets.

Changes to targets for indicators reported in the PPR need to be formally updated each year. The PPR process prevents current year targets from being changed during the course of the year, but targets for later years can be changed during the annual PPR process.