Standard Project Performance Assessments

PREMISE

USADF needs to establish a common definition of a "performing project ", and an associated rating system so that ADF can improve the management and effectiveness of its grant program to marginalized communities in Africa. Project success can have many definitions and in reality it may take one-two years after a project has ended to fully determine the actual impact of a particular project. However, there are indictors of success that can be monitored during implementation stage that provides USADF and its partners with sufficient information to improve support levels to struggling projects, and make a reasonable performance assessment.

The assessment approach should be simple to enough to fully implement with current resources, yet capture and reinforce essential USADF priorities and values. The system must account for different types of grants (EEI and EDIs), take into account the maturity of the grant, the seasonal characteristics of the activities , and the unique nature of project specific performance measures as captured in the grant agreement Appendix A.

Project performance is to be assessed by each Regional Director (RD) on six month intervals to coincide with Bi-annual Program performance Reviews. USADF management will conduct a biannual program performance review to ensure RDs are giving sufficient priority to program performance and are providing support and oversight to active grants.

PERFORMANCE CATEGORIES

Three standard performance categories will be used consistently assess the performance of a grant through out its life cycle. The actual measures within a given performance category will be adjusted depending on the age of the grant and type of grant. Each category represents a critical predictor of long term project success. The three performance categories follow:

1. **Project Achievements** – The primary measure of a successful project is its ability to effectively apply available resources in ways that achieve results. The purpose of a grant is to provide inputs that can be transformed through activities into tangible outcomes. Progress toward achieving the objectives can be accessed by comparing actual achievements against planned goals as outlined in USADF grant agreement Appendix A. Successfully meeting Appendix A project activities and objectives is a mandatory aspect to determining whether or not a project grant is "performing".

   During the early term of the grant the "project achievement" assessment will focus on progress being made against planned activities. Achievement during this stage of implementation means that 50-80% of the planned activities are on track and are being completed as planned.

   During the mid-phase of the grant the performance assessment will shift its focus to the achievement of project outputs. At this point a performing project is achieving 50-80% of its output targets.

In the final year of the grant the assessment will focus on the project's 'purpose' or 'outcome' indicators. Here a performing project is defined as one that has materially achieved the intended outcome of the grant as defined by the grant agreement Appendix A.

Project achievement assessments are made by the Program Analyst's review of all available project information including quarterly reports and site visits reports by Partner, the Coordinator, and other ADF/W staff. These different observers help to enhance ADF's ability to accurately assess project performance in this category. Assessing Appendix A project performance requires a qualitative evaluation and a coordinated effort of the Regional Director, Program Analyst, the Partner Org , and the grantee.

2. **Project Resources** – If a project does not have the resources it needs to implement a project plan it can not be successful. The primary input that USADF provides is capital. Therefore USADF will monitor the disbursement of grants funds as an indicator of project success. This category will look at both the timing and amount of the disbursements to grantees. If a project is well designed with no conditions precedent, was provided with good start-up support, and is in general, in compliance with ADF policy, then disbursements should move forward without delays. When a project is having problems, disbursements are delayed. It is true that delays in disbursements may be due to factors outside the grantee's control, such as lack partner support, but these should be reported as exceptions. Assessing disbursement performance is quantitative in nature and could become a database report, with little to no management or reporting costs.

3. **Project Management** – Successful projects properly manage and account for the use of resources provided to them. Good project management is an indicator of the organizational capacity needed to effectively use inputs to achieve grant objectives. Providing quality and timely quarterly reports are a measure of the grantee's internal management capabilities. Typically, late and inaccurate reporting is an early indicator of a problem project. Assessing on time Quarterly Report performance could be a database report, however the database would also need to capture a quality rating to be entered by the PA after each reporting cycle.

PERFORMANCE RATINGS, MEASURES, and ACTIONS

Performance Table

Project Rating	Performance Measure	Action
Star – Grade A	Meets 3 of 3 performance categories	Standard Support
Perform – Grade B	Meets the achievement category and one other	Standard Support
Watch – Grade C	Meets only 1 of 3 performance categories	Min Quarterly Support
At-Risk – Grade D	Meets 0 of 3 performance categories, or 2 consecutive 'watch' ratings	Remediation Support (MS 632)
Failing – Grade F	2 consecutive 'at risk ' ratings	Termination (MS 634)

STAR-GRADE A

Year 1 of the Grant: To earn a performance rating of "STAR" a grant must meet the standard of performance (SOP) in all three performance categories.

Standard of Performance:

1. Project Achievement – At least 80% of planned year 1 project activities are completed as planned.
2. Project Resources - First disbursement request processed within 45 days (+/- 10 days) of date of obligation and at least 25% of the obligated value is disbursed in year one.
3. Project Management – 50% of the expected quarterly reports meet minimum quality standards and were sent to Washington on time – 45 days after the end of a quarter (+/- 10 days).

To achieve these targets require a well design project and good partner implementation plan. Partners are expected to support the grantee with timely start up support (financial training, setting up information systems, and project planning). These measures focus on getting the project off to a quick start.

Mid -Term of the Grant : To earn a performance rating of "STAR" a grant must meet the standard of performance (SOP) in all three performance categories.

Standard of Performance:

1. Project Achievement – At least 80% of planned mid term project activities / outputs are completed as planned.
2. Project Resources - 50% of the obligation value is disbursed by the end of year 2 (or 90% in case of EDI grant), and 90% by the end of year 3 (or final year of grant, which ever comes first.)
3. Project Management – 75% of the expected (past 12 month period) quarterly reports meet minimum quality standards and were sent to Washington on time – 45 days after the end of a quarter (+/- 10 days).

These are the productive years of the grant, performing grants report on time, are requesting and receiving regular disbursements, and are meeting project plans and outputs defined in the Appx A.

Final Term of the Grant: To earn a performance rating of "STAR" a grant must meet the standard of performance (SOP) in all three performance categories.

Standard of Performance:

1. Project Achievement – the project has materially achieved the intended outcome of the grant as defined by the grant agreement Appendix A.
2. Project Resources - 90% of the obligation value is disbursed by the end of year 3 (or final year of grant, which ever comes first.)
3. Project Management – 75% of the expected (past 12 month period) quarterly reports meet minimum quality standards and were sent to Washington on time – 45 days after the end of a quarter (+/- 10 days).

PERFORM-GRADE B

Year 1 of the Grant: To earn a performance rating of "PERFORM" a grant must meet the SOP in project achievement category and at least one other performance category.

Standard of Performance:

1. Project Achievement – At least 50% of planned year 1 project activities are completed as planned.
2. Project Resources - First disbursement request processed within 45 days (+/- 10 days) of date of obligation and at least 25% of the obligated value is disbursed in year one.
3. Project Management – 50% of the expected quarterly reports meet minimum quality standards and were sent to Washington on time – 45 days after the end of a quarter (+/- 10 days).

Mid -Term of the Grant : To earn a performance rating of "PERFORM" a grant must meet the SOP in project achievement category and at least one other performance category.

Standard of Performance:

1. Project Achievement – At least 50% of planned mid term project activities / outputs are completed as planned.
2. Project Resources - 50% of the obligation value is disbursed by the end of year 2 (or 90% in case of EDI grant), and 90% by the end of year 3 (or final year of grant, which ever comes first.)
3. Project Management – 75% of the expected (past 12 month period) quarterly reports meet minimum quality standards and were sent to Washington on time – 45 days after the end of a quarter (+/- 10 days).

Final Term of the Grant: To earn a performance rating of "PERFORM" a grant must meet the SOP in project achievement category and at least one other performance category.

Standard of Performance:

1. Project Achievement – the project has materially achieved the intended outcome of the grant as defined by the grant agreement Appendix A.
2. Project Resources - 90% of the obligation value is disbursed by the end of year 3 (or final year of grant, which ever comes first.)
3. Project Management – 75% of the expected (past 12 month period) quarterly reports meet minimum quality standards and were sent to Washington on time – 45 days after the end of a quarter (+/- 10 days).

WATCH – GRADE C

A project is rated "WATCH" if it does not meet the Project Achievement performance category in a current assessment period. When a project is classified at the "WATCH" level , the Partner

is expected to maintain contact with the grantee at least twice a month and include at least 1 site visit each quarter, until the project moves into a performing state.

AT-RISK– GRADE D

If a project is in a WATCH mode for two consecutive assessment periods, or meets zero performance measures in a period it moves to a "**AT-RISK**" mode. Manual Section 632 applies requiring a remediation plan, re-set Appendix A performance standards, and an increased level of Partner technical support.

FAILING– GRADE F

If a project is in a AT-RISK mode for 2 consecutive assessment period, or meets zero performance measures for 2 consecutive periods it is classified as "**FAILING**". A FAILING project has one final assessment period to achieve the PERFORM standard. At the end of the final assessment period a FAILING project will be Terminated in accordance with MS 633.

OTHER TERMS

Grant Year: The grant year is the measured from the obligation date. Performance measures will change with the age of the grant, thus it is important that a common definition is understood and applied in the rating system. So, if a grant was obligated in August 2007, and the review was conducted on April 15, 2009, the grant is in year 2.

Performance Period: The performance period is a 12 month period measured from the end of the last full quarter from the report date. A 12 month assessment period is important to accommodate the seasonal nature of most ADF projects. So, if a grant was obligated in August 2007, and the review was conducted in April 15, 2009, the performance period is last full 12 month reporting period, or Jan 1, 2007 – Dec 31, 2008.

EXAMPLE PROJECT PERFORMANCE TRACKING

Each Regional Director will maintain a project performance rating chart for each project within their region to include the project rating for each assessment period; a record log of site visits by Partner, Coordinator, and Washington Staff; and references to any remediation activities.

Example Rating Table

Project Name Special Ag Project
Start Aug 2009
End July 2014
Amount: $200,000

Year	1				2				3				4				5			
Quarter	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Star – A	NA		X		X															
Perform -B							X		X								X		X	
Watch - C											X				X					
At-Risk - D													X							
Failing - F																				
Performance Measures																				
1st/ /2nd Disb days	43	120	NA																	
Total % Disb*	5	5	15	25	25	35	50	50	60	70	70	85	85	85	85	85	100	100	100	100
QR On Time	N	Y	Y	Y	N	N	Y	Y	N	Y	N	N	Y	N	N	Y	N	N	Y	Y
Activities on track 80-100%-A 50-79%-B				A		B		B		No		No		No		B		B		B
Outputs on track 80-100%-A 50-79%-B				NA		No		B		No		No		B		B		B		B
Purpose 1	NA															No		Yes		Yes
Purpose 2																Yes		Yes		Yes
Purpose 3																No		No		No
Assessment		09/09		03/10		09/10		03/11		09/11		03/12		09/12		03/13		09/13		03/14
Report Out			10/09		04/10		10/10		03/11		10/11		04/12		10/12		04/13		10/13	

*Year 1 =25%, Year 2 = 50%, Year 3 = 90%, Year 4= 95%

Performance Key

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