



Program Design and Performance Management Toolkit



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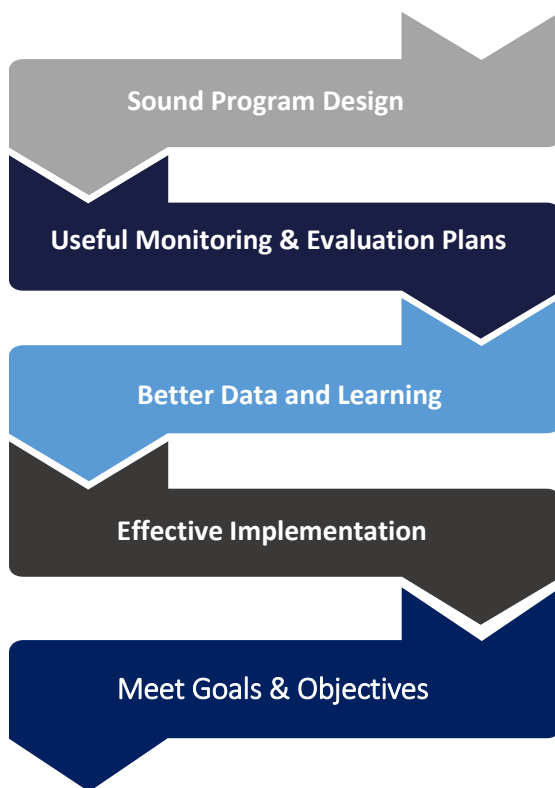


PROGRAM DESIGN AND PERFORMANCE MANAGEMENT TOOLKIT USE AND NAVIGATION

TOOLKIT PURPOSE AND USE

Sound program design and performance management is the basis for the effective and efficient use of State Department resources to achieve our strategic goals. *Program design* details how we plan to achieve the strategic goals for a sector, region or country, and *performance management* enables us to assess the extent to which our efforts are working and why. Steps and tools provided in the Program Design and Performance Management (PD/PM) Toolkit can be applied to new and ongoing State Department programs, projects, and processes across diplomatic engagement, administration, and foreign assistance. This Toolkit is designed to be applicable to all bureaus, offices, and posts and the templates can be customized to fit your needs.

The PD/PM Toolkit will help bureaus, offices, and posts design their activities in a way that effectively advances broader strategic goals, utilizes useful monitoring and evaluation, and enables learning to occur that can inform future decisions. It can be used as a manual for creating and executing a new program, or can be employed mid-program to determine if the effort is on track.



The PD/PM Toolkit outlines the major steps of program design and performance management along with suggested tools and templates for completing each step. Completing each step will provide bureaus, offices, and posts with a *program summary* as well as a *performance management plan* that can be used for knowledge management, accountability, and to communicate about the program internally to leadership and staff and externally to partners, implementers, or other stakeholders.

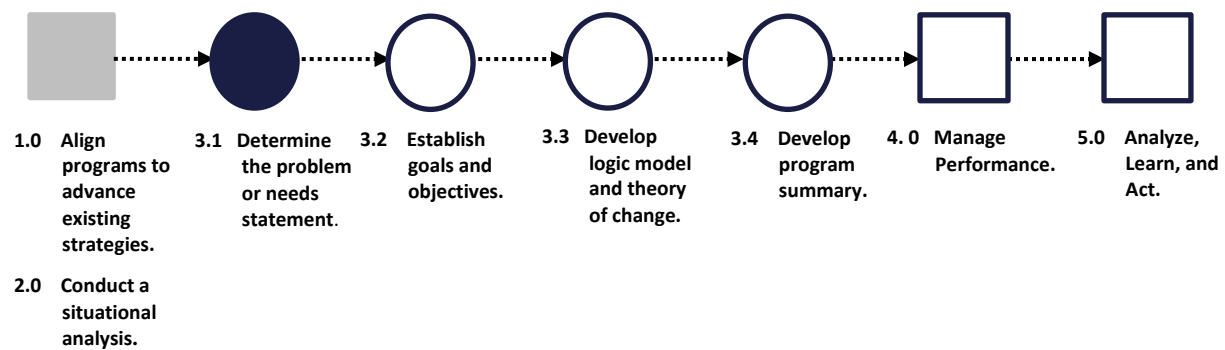
The PD/PM Toolkit was jointly developed by the Office of U.S. Foreign Assistance Resources (F) and the Bureau of Budget and Planning (BP). Because some State programs are coordinated with USAID, to encourage congruence and a common lexicon, concepts from the USAID Automated Directives System (ADS) are incorporated where possible. It replaces the Department's Performance Management Guidebook, Program and Project Management Guidebook, and Project Design Guidebook.



TOOLKIT STRUCTURE AND NAVIGATION

The PD/PM Toolkit is divided into five sections, and within each section are multiple steps. It provides an explanation of each step, a template for implementing that step, and a fictional program case example to illustrate a completed template. Blank templates, a second management focused case example, and additional information about project and processes are included as appendices. While each section of the PD/PM Toolkit builds upon the previous section, they can also be used in a stand-alone fashion to support on-going programs.

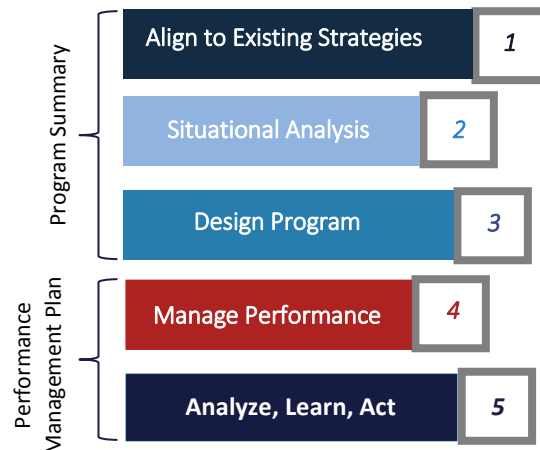
Diagrams throughout the toolkit denote the section and the specific step you are currently viewing, as well as the sections that came before, and sections which remain. Circles represent the step you are currently in, and squares denote past and future sections. For example, the diagram below indicates you are in section 3, step 3.1 of the Toolkit with steps 3.2, 3.3 and 3.4 remaining in that section. Section 1 is behind you and Section 4 and 5 are next.



The following icons are used throughout the PD/PM Toolkit:



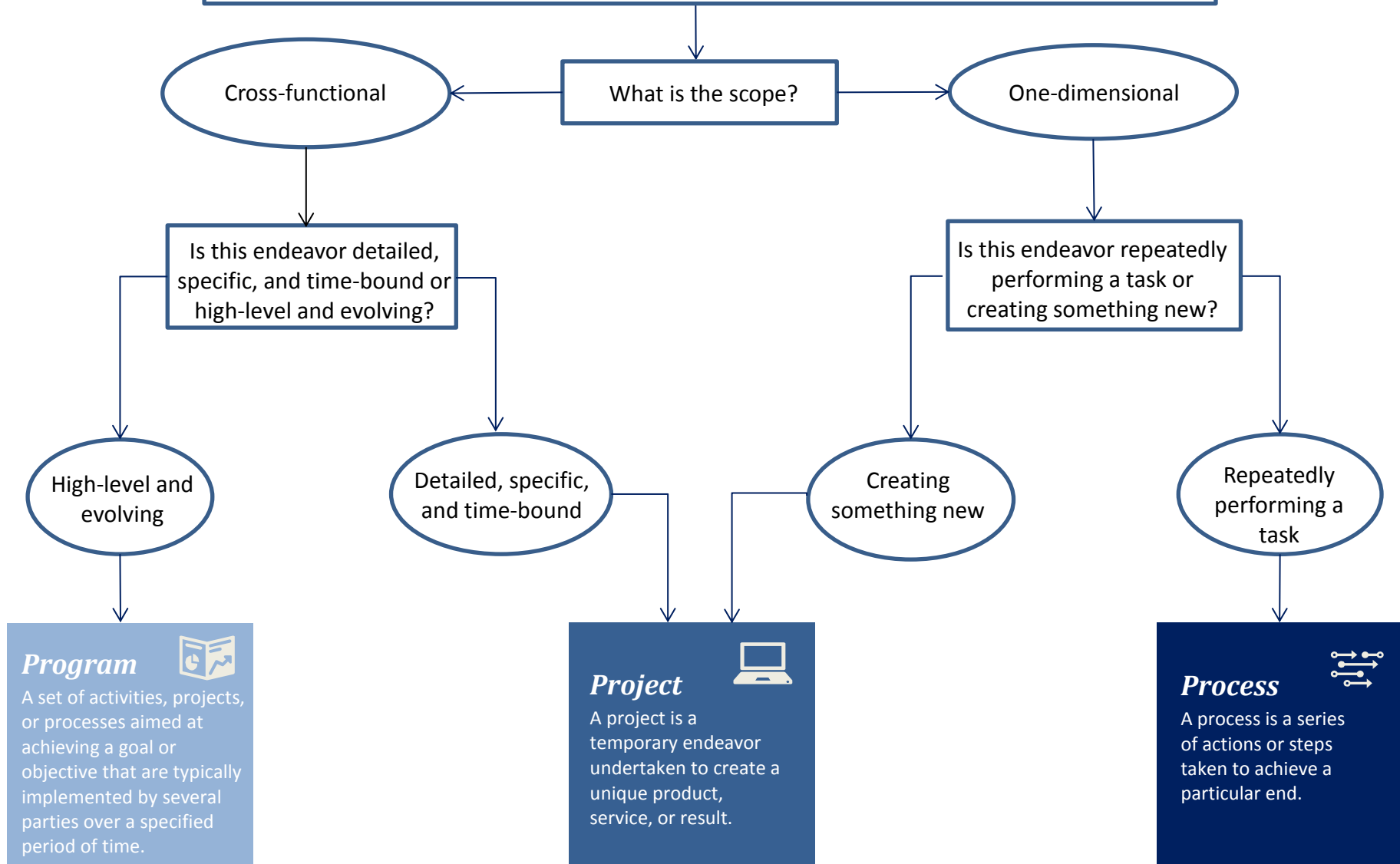
More about the Case Example: The case example throughout PD/PM Toolkit follows the fictional South Bureau as it develops a new clean energy program in the fictional country of Freedonia. For each concept and tool introduced, the Toolkit provides a completed case example using this fictional program, which is intended to illustrate the types of information you could include in the blank tool templates as they follow the instructions for each section and step. Another case example, which can be found in **Appendix E**, highlights program design for management/infrastructure efforts. This case example follows the fictional Management office in Embassy Capital City as it develops a disaster preparedness program for State Department personnel.



Identifying Program, Project, or Process: The PD/PM Toolkit can be used by managers of programs, projects, and processes. In section 3 of the Toolkit, project and process managers may want to turn to additional resources outside of the main Toolkit before returning to sections 4 and 5. The graphic map on page ix is intended to guide users through a series of questions to help determine if you are designing and implementing a program, project, or a process and should make use of the additional resources (project managers are guided to **Appendix A** and processes are guided to **Appendix B**). The graphic map on page ix shows which sections of the Toolkit are applicable to programs, projects, and processes.



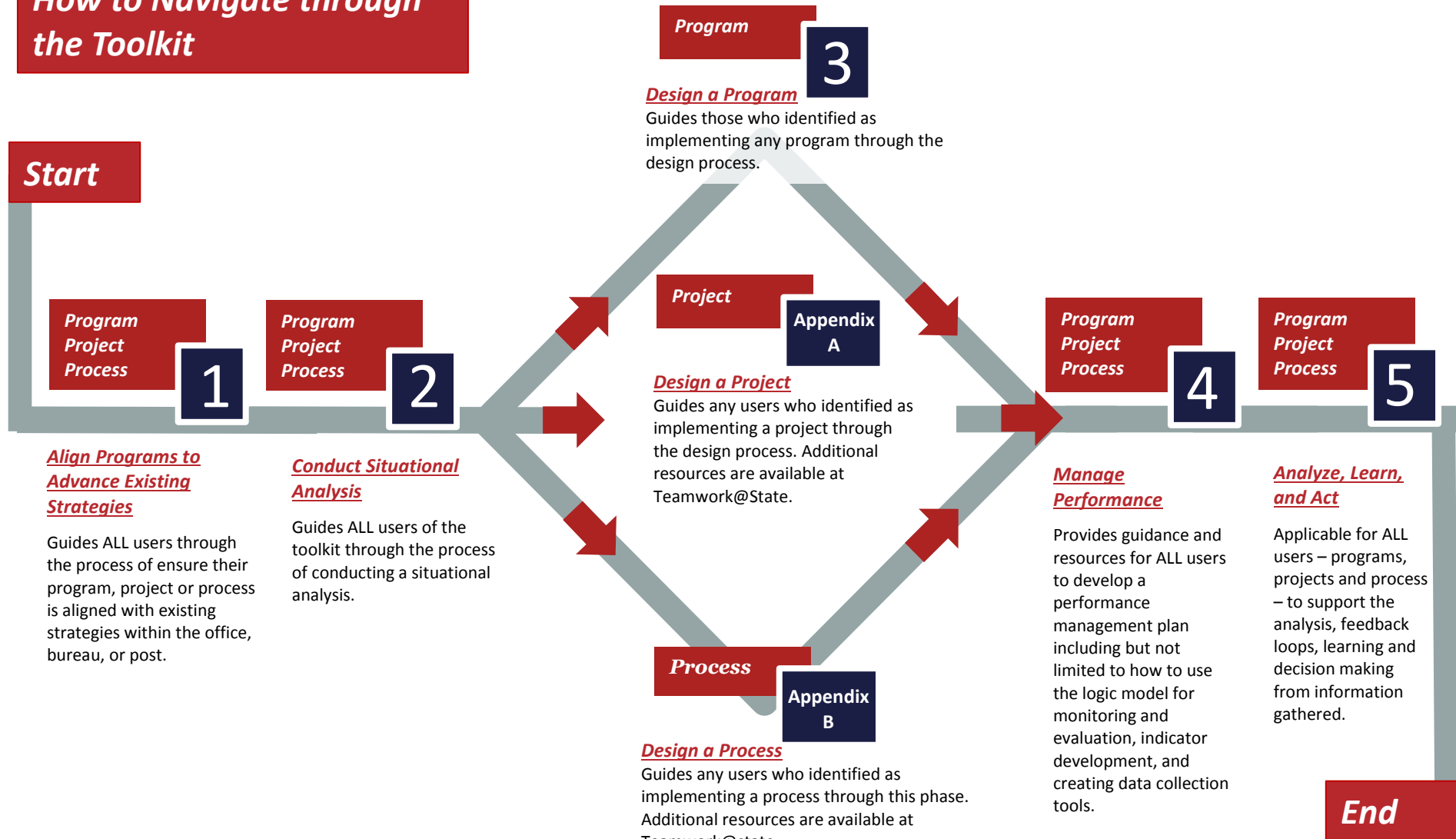
Am I Conducting a Program, Project, or Process?



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How to Navigate through the Toolkit



Program Design and Performance Management Toolkit



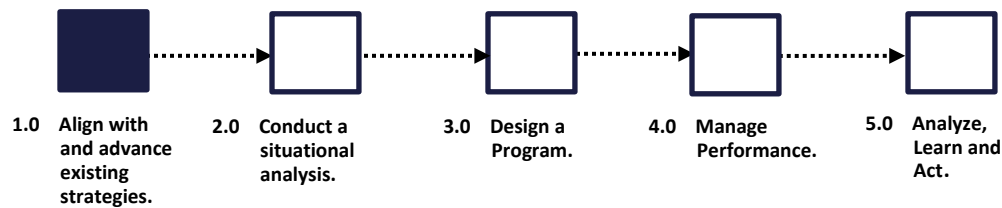
Section 1: Align Programs to Advance Existing Strategies

By the end of this section, offices, bureaus, or posts will:



✓ Align programs to advance existing strategies

SECTION 1: ALIGN PROGRAMS TO ADVANCE EXISTING STRATEGIES



Programs can emerge in various ways. For example, some programs can be a change to existing efforts, some can be new efforts in a region or sector, and some may come with general parameters set forth by a policy or speech. When initiating program design and before doing more detailed planning, the first step is to review the program idea and assess how it can best align with and advance existing strategies or other high level directives. Program designers should consider which specific strategic goals and objectives the program could ultimately help achieve, and then design it in a way to maximize its contribution towards higher level strategy.

As you begin to design the program, project, or process it is important to take the time to consider the bigger picture and to see how the future program can best advance existing strategies. Aligning programs to existing strategies will help operationalize strategic documents and support bureaus, offices, or posts in meeting goals and objectives. Aligning your intended program to existing strategies can help reduce the risk of lost time or resources as you further your strategic goals and objectives. Some important strategies and reports to consider include:

- Joint Regional Strategy (JRS)
- Functional Bureau Strategy (FBS)
- Integrated Country Strategy (ICS)
- USAID Country Development Cooperation Strategies (CDCS)
- Sustainable Development Goals (SDGs)
- Interagency policies, sector strategies, Presidential directives, commitments and guidance (e.g. National Security Strategy)

An office, bureau, or post should consider the following questions before designing a program to support the alignment and advancement of strategic plans. These questions can be used as considerations throughout program design and implementation to support continued alignment to strategies:

- How can the program idea help achieve one or more of the FBS or JRS objectives or sub-objectives?
- How does the program support the achievement of the relevant ICS(s) objectives?
- How does the program concept help achieve any goals and objectives of agencies or groups outside of the State Department?
- Is your program idea within the purview of your office, bureau, or post?



After reviewing the case example below, click [here](#) to use the Align Programs to Advance Existing Strategies Tool.



The President of the United States recently committed \$5 million for Mary's regional bureau, South Bureau, to address the US Government priority of global climate change. Mary is leading the design and management of the program that will fulfill this commitment. It is up to Mary and her team to determine how best to use these funds to address climate change; they will use this program design and performance management toolkit to guide the process.

Mary started the program design process by reviewing existing strategies to determine how the commitment will best advance them. She reviewed her bureau's JRS and the President's Climate Action Plan. In the JRS she identified the following goal and objective:

- **JRS Goal:** Decrease greenhouse gases (GHG) emissions and other climate-warming emissions through Clean Energy programs.
- **JRS Objective 1:** Build the capacity of institutions to implement low emission energy development strategies.

The President's Climate Action Plan committed the United States to leading international efforts to combat global climate change and specifically addresses expanding clean energy use and reducing GHG emissions.

Mary also reviewed the ICSs of the countries in the region to determine in which country(s) to implement the program. Mary and her team determined that Freedonia's ICS objectives and sub-objectives most closely align with and will be advanced by a climate change initiative. She also reviewed the relevant FBS and confirmed that clean energy is one of its goals.

Mary will move on to [Section 2](#) of the Toolkit: Conduct a Situational Analysis, to fully understand the context within which she will be developing the program.

Figure 1. Case Example, Align Programs to Advance Existing Strategies Information



CASE EXAMPLE:

Align Program to Advance Existing Strategies

Considerations List ¹	Answers
How does the program idea help achieve the goals or objectives from the relevant JRS or FBS?	<i>The program is focused on climate change and the goals and objectives of the JRS involve reducing GHG emissions.</i>
How does the program help achieve one or more ICS objectives or sub-objectives?	<i>The sub-objectives of Freedonia's ICS align with reducing GHG emissions thereby this program can be designed to advance these existing strategies.</i>
Does the scope of the program idea fit within the purview of your office, bureau, or post?	<i>Yes, as it is in South Region. But Mary's team will collaborate with the appropriate functional bureau.</i>
How have you determined what is necessary for the program to achieve the goals and objectives of higher level strategy?	<i>The program should be designed to focus on reducing GHG emissions in some capacity because climate change is a large sector for the program to advance existing strategies.</i>
How does the program concept help achieve any goals and objectives of agencies or groups outside of the State Department?	<i>The program will also advance the President's Climate Action Plan committed the United States to leading international efforts to combat global climate change and specifically addressed expanding clean energy use and reducing GHG emissions.</i>
How has the program implemented a plan to ensure continued alignment and advancement of strategy throughout program design and implementation?	<i>The program will review the JRS, ICS, FBS, and President's Climate Action Plan when the program design is completed after each year of implementation, and when these documents are updated.</i>

Table 1. Case Example, Align Programs to Advance Existing Strategies

¹ <http://cas.state.gov/managingforresults/planning/>

Program Design and Performance Management Toolkit



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Section 2: Conduct a Situational Analysis

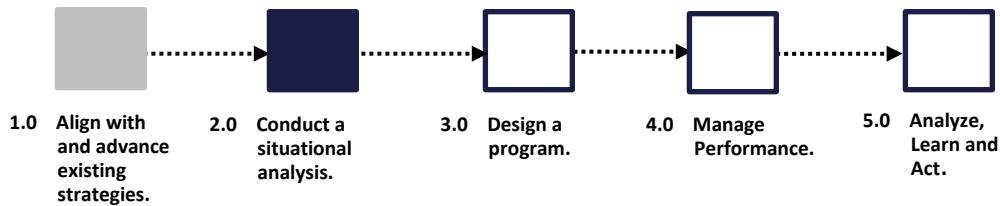
By the end of this section,
offices, bureaus, and posts will
conduct:



- ✓ Internal Assessment
- ✓ External Assessment
- ✓ Root Cause Analysis
- ✓ Review of the Issue



SECTION 2: CONDUCT A SITUATIONAL ANALYSIS



After assessing how best to align with the goals and objectives of existing strategies, the next step is to conduct a situational analysis. A situational analysis is a comprehensive review of the current state or conditions surrounding the program idea that could affect its design, implementation, or outcome. It will help determine if your program design approach is feasible and increase your general awareness of the program environment.

Conducting a situational analysis allows you to understand the past and present contextual factors, why these factors exist, and if any steps need to be taken to account for them. The information gleaned from the situational analysis will inform your program problem statement, goals and objectives, and logic model later on in the program design process and may help you establish baselines for performance indicators developed during the performance management section ([Section 4](#)).

STEP 2.1: WAYS TO CONDUCT A SITUATIONAL ANALYSIS:

The extent of your situational analysis will depend on the amount of time and resources available to you while planning your program. This section explains three possible ways to conduct the analysis: **document review**, **inter- and intra-agency coordination**, and **other external stakeholder coordination**.





1	2	3
Document Review	Inter and Intra-Agency Coordination	Coordinate with External Stakeholders
<p>Purpose: Leverage existing information that can be collected independently and at minimal cost.</p> <p>Documents to review may include but are not limited to:</p> <ul style="list-style-type: none"> • JRS/FBS • ICS • USAID Country Development Cooperation Strategy (CDCS) • Evaluations on similar programs or activities that have occurred in the region • Secondary data (data that has already been collected by sources such as the World Bank, UN, country government statistics, etc.) • Program monitoring documents and performance metrics from similar programs or activities 	<p>Purpose: Prevent duplication of efforts and increase the scope of your program's knowledge base by leveraging State Department and U.S. government partners.</p> <p>Partners can include:</p> <ul style="list-style-type: none"> • Subject matter specialists and program officers in your office, bureau, or post • Colleagues at post and desk officers in regional bureaus • Subject matter experts in the functional or regional bureau implementing similar programs • Subject matter experts in cooperating agencies (USAID, DOD, etc.) 	<p>Purpose: Collect outside perspectives on your program environment.</p> <p>Coordinating with stakeholders involves reaching out to interested parties, such as:</p> <ul style="list-style-type: none"> • Program beneficiaries • Local civil society organizations (CSOs) or non-governmental organizations (NGOs) • Local leaders • International NGOs working in the sector or geographic area • International donors • Private sector • Host Country Government officials

Figure 2. Methods to Conduct a Situational Analysis



STEP 2.2: TYPES OF SITUATIONAL ANALYSES:

Not every program must undergo the same level of analysis depending on its nature and complexity, but key pieces of information should be obtained to understand if the program approach is possible and necessary. Using the three methodologies in **Step 2.1**, there are four types of assessments and reviews that should be conducted in your situational analysis:

- 2.2.1 Internal Assessment** reviews what is happening within your own office, bureau, or post.
- 2.2.2 External Assessment** reviews contextual factors that could affect your issue or problem.
- 2.2.3 Root Cause(s) Analysis** looks at causes that are not immediately observable.
- 2.2.4 Review of the Issue or Problem** examines the concern the program is designed to address.

2.2.1: Conduct an Internal Assessment

An internal assessment² allows you to understand the capabilities within your own office, bureau, or post. It is important to understand the financial, time, and human capital resources of your office, bureau, or post prior to designing a program to validate it is within your capabilities and capacity. Important factors to consider include:

- Program budget
- Number of personnel available
- Amount of time each person has available to dedicate to the program, and available dates
- Workforce skills required to design and manage the program
- Availability of skills within your office, bureau, or post
- Method to procure the desired skills, if unavailable in your office, bureau, or post and where they can be found
- Additional training required to design and manage the program, if applicable
- Necessary Information Technology (IT) systems are in place within your organization to manage the program, if applicable



After reviewing the case example below, click [here](#) to use the Internal Assessment Tool.



Mary started to design the program by conducting an internal assessment of South Bureau. Her internal assessment was designed to identify the resources and skills her team possesses and to be aware of any potential gaps prior to designing the program. Using the Internal Assessment Tool in **Table 2**, Mary asked a series of questions to bureau leadership and staff and found that the necessary resources are available to implement the program idea.

Figure 3. Case Example, Internal Assessment Information

² <http://www.thesustainablengo.org/general-management-skills/conducting-an-organizational-situation-analysis>


 CASE EXAMPLE: Internal Assessment	
Questions	Answers
What is the budget of the program?	<i>\$5 million</i>
How long are people needed?	<i>2 years</i>
How many personnel are available to work on the program?	<i>3 people in the bureau</i>
How much time does each person have available to support this program and during what periods?	<ul style="list-style-type: none"> <i>1 program manager with 50% availability in the next two years who could manage overall</i> <i>2 staff who could add support as needed over the next two years.</i>
What specific skills and knowledge are required to manage this program?	<ul style="list-style-type: none"> <i>Climate change subject matter expertise</i> <i>Program management</i> <i>Monitoring and evaluation (M&E)</i> <i>Training facilitation</i> <i>Diplomacy and negotiation</i>
Are these skills available in the office, bureau, or post?	<i>Bureau has climate change subject matter expertise and program management experience, but no M&E experience</i>
If these skills are not available in your office, bureau, or post where will you find them?	<ul style="list-style-type: none"> <i>Will contract M&E support</i> <i>Will coordinate with Embassy for technical support in the field</i>
Is additional training required to design and manage the program?	<i>No</i>
Is the current information technology platform sufficient to operate the program?	<i>The post in Freedonia has the infrastructure to support program implementation including necessary IT (e.g., computers, internet, phones, etc.)</i>

Table 2. Case Example, Internal Assessment



2.2.2: Conduct an External Assessment

An external assessment is the process of surveying the environmental surroundings where the program will take place to establish baseline context and understand potential opportunities and threats. Certain portions of the external assessment may not apply to domestic programs, to conduct an external assessment use **Table 3**. Resources to use for an external assessment include but are not limited to:

- National or international regularly published surveys and indices
- Government statistics
- Secondary data (e.g., vulnerability analysis, analytical reports from other agencies, etc.)
- Coordination with external stakeholders (e.g., interviews, focus groups, surveys, etc.)
- ICS and country-specific strategies from other US and international agencies
- **F Country Data Analytics packages, F Interagency Network Databank (FIND)**, or other available data analytics

Factors to consider include but are not limited to:

1. **Political/Legal Factors:** These are the government actions at any level (e.g., federal, local, municipal, district-wide, regional, national, etc.) that could affect a program, including any law(s) that prohibit or inhibit similar programs.
2. **Security Factors:** These are the factors that involve information security considerations for processing classified program information, or threat to personnel associated with the program (i.e. State Department employees, implementers, or the stakeholders/recipients of the program). This is a wide range of considerations that may include but are not limited to war or instability in the region, high or critical technical threat location, violent crime rate (e.g., assault, robbery, kidnapping, hate crimes, etc.).
3. **Environmental Factors:** These are the natural surroundings that may influence the implementation of the planned program including, but not limited to:
 - Geography and the cost considerations related to implementing in the planned geographic location (e.g., mountainous, desert, landlocked, rural vs. urban, etc.)
 - Health factors (e.g., infectious disease that may inhibit implementation of the program)
 - Natural disaster factors (e.g., flooding, hurricane, blizzard, drought, etc.)
 - Climate (i.e., seasonal considerations)


These factors may influence the size or scope of the program, cost of the program, or time of year the program can be implemented. The environment may be a major obstacle to implementing the program, but it could also be the very reason the program exists; for example it may be a response to an economic crisis or to a natural disaster.

4. **Cultural Factors:** These are the societal norms and customs that will influence the implementation of the program. This includes but is not limited to considerations for religion, gender, LGBT issues, ethnicity, language, general cultural expectations, etc.





5. **Economic Factors:** These are the external economic factors that should be considered when implementing this program. These include, but are not limited to:
 - Costs of operating in the location
 - Poverty levels in the location
 - Economic differences among ethnicities
 - Economic differences among gender
 - Factors influencing economic disparities/economic development
 - Economic factors influencing participation
6. **Institutional Factors:** This includes an analysis of specific organizations with whom you may be working and how the program, project, or process may complement or compete with other programs and activities. This may include the processes, attitudes, customs, and behaviors of organizations that may influence the implementation of the program.
7. **Infrastructure Factors:** This includes the physical infrastructure that the program will be operating in and the access to necessary amenities such as water, power, electricity, physical office space and technology (e.g., cell phones, computers, internet, etc.).

 **Note:** Remember to consider risk throughout the program design process. Please refer to the [Teamwork@State](https://cas.state.gov/teamwork@state) website for additional information on risk assessment and management.





After reviewing the case example below, click [here](#) to use the External Assessment Tool.



Mary conducted an *External Assessment* to learn about the environment in which the program would operate, and any key contextual factors that could affect later design steps. She considered each of the factors listed above in her assessment and included the information in [Table 3](#).

Figure 4. Case Example, External Assessment Information

 CASE EXAMPLE: External Assessment			
Questions	Description	Answer	Could this negatively interfere with program implementation?
Political/Legal			
Are there political/legal factors that could positively or negatively affect operations or activities?	Laws, regulations, hostility towards such activity	<ul style="list-style-type: none"> Government already pledged to reduce GHG emissions by 25% by 2030 through clean energy initiatives. Weak policy and regulatory environment Low tariffs on petroleum and coal imports 	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Maybe, but not critical <input type="checkbox"/> N/A
Notes or mitigation actions, if necessary:			
Security			
Are there security factors to consider?	Instability, violent crime	<ul style="list-style-type: none"> The region is stable and peaceful, however the country is known for crimes such as robbery, theft towards expats and wealthy residents resulting in restricted movement at night and in certain sections of urban areas. 	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Maybe, but not critical <input type="checkbox"/> N/A
Notes or mitigation actions, if necessary: Personnel travelling to the country must take precautions when travelling at night and in particular areas, and should read State Department's travel information.			
Environment			
What are the natural surroundings that may influence the implementation of the planned program?	Geography, health, natural disaster, climate, etc.	<ul style="list-style-type: none"> The country has an ocean border and experiences occasional hurricanes. Malaria is prevalent in the country. The country has a diverse topography with mountains, hills, plains, and highlands. The country has extensive river systems. 	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Maybe, but not critical <input type="checkbox"/> N/A
Notes or mitigation actions, if necessary: Personnel traveling to the country must take precautions against malaria.			

 CASE EXAMPLE: External Assessment			
Questions	Description	Answer	Could this negatively interfere with program implementation?
Culture			
What are the cultural factors that may influence the implementation of the program?	Consider the societal norms and customs that will influence the implementation of the program.	<ul style="list-style-type: none"> <i>General population and economic sector is heavily reliant on coal sector.</i> 	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Maybe, but not critical <input type="checkbox"/> N/A
Notes or mitigation actions, if necessary:			
Economics			
What are the economic factors that may influence the implementation of the program?	Consider the factors external to your office, bureau, or post such as the economy of the country in which the program will be implemented, economic well-being of the customers/recipients, the costs of operating, etc.	<ul style="list-style-type: none"> <i>Clean energy sector is extremely underdeveloped. In addition to a policy framework, the country needs private investment to support new clean energy infrastructure, operations, and maintenance.</i> <i>Per-capita income is low and many existing businesses do not have spare capital so costs will need to be comparable to the cost of existing energy sources.</i> <i>Coal sector is highly integrated into economic fabric, so there could be resistance to new energy sources.</i> <i>People are unaware of business opportunities clean energy development could bring to region.</i> 	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Maybe, but not critical <input type="checkbox"/> N/A
Notes or mitigation actions, if necessary: <i>In addition to helping the government establish a policy framework for clean energy, the program must help attract investors and local entrepreneurs.</i>			


 CASE EXAMPLE: External Assessment			
Questions	Description	Answer	Could this negatively interfere with program implementation?
Institutional			
What are the institutional factors that may influence the implementation of the program?	Consider the characteristics of any organizations you may need to partner with such as: customs, attitudes, processes, behaviors, etc.	<ul style="list-style-type: none"> <i>The World Bank implements a large power infrastructure program in the region called En-R-Ge, which is a potential partner.</i> <i>The World Bank has a history of partnering with the Department.</i> <i>The World Bank has funding available to support infrastructure that would complement the work of Mary's program.</i> 	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Maybe, but not critical <input type="checkbox"/> N/A
Notes or mitigation actions, if necessary:			
Infrastructure			
What are the infrastructure factors that may influence the implementation of the program?	Consider building space, IT (cell phones, computers, internet), water, electricity, etc.	<ul style="list-style-type: none"> <i>The post in Freedonia has the necessary infrastructure to support program implementation including IT (computers, internet, phones, etc.).</i> <i>Implementers will have necessary infrastructure support in the city, but less in rural areas.</i> 	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Maybe, but not critical <input type="checkbox"/> N/A
Notes or mitigation actions, if necessary:			

Table 3. Case Example, External Assessment



2.2.3: Determine the Root Cause(s)

A Root Cause Analysis is a method used to take a closer look at the source of the problem(s) or issue(s) your program will address. Often, the symptoms of a problem are observable, but the problem itself is not. In order to effectively address the true problem, one must engage in deeper analysis to uncover its root cause(s).

One way to do a root cause analysis is through the *Five Whys Approach* as seen in **Table 4**. The *Five Whys Approach* is a technique where you ask a series of “why” questions starting with an undesirable symptom you would like to address. From there, ask why that particular situation is happening. Continue asking why each situation is happening until you reach what you believe to be the original cause of the undesirable symptom. You may not find it necessary to complete all five “Whys” or may find it necessary to ask more questions.

For additional information on using the Five Whys Tool – visit the [Teamwork@State](#) website.

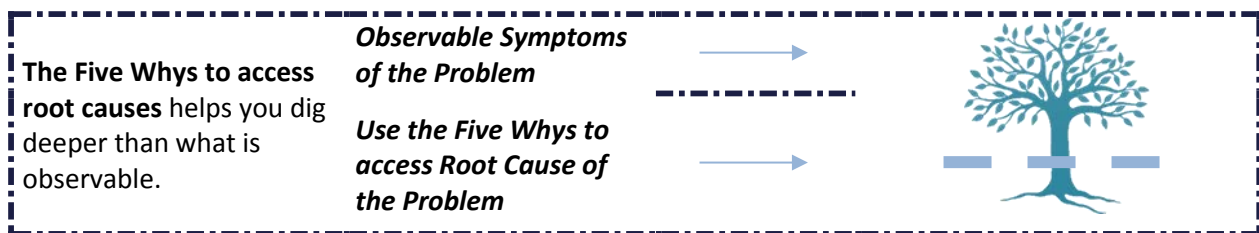


Figure 5. Root Causes Analysis Tree



After reviewing the case example below, click [here](#) to use the *Five Whys* Tool.



Mary and her team used the *Five Whys* Tool to understand the root cause of Freedonia’s high rates of GHG emissions. Understanding the root cause will allow Mary’s team to design a program that addresses the correct issues. They started by asking, “Why are there high rates of GHG emissions?” and kept asking why. **Table 4** shows how Mary’s team used the *Five Whys* Tool.

Figure 6. Case Example, Five Whys Information


 CASE EXAMPLE: Five Whys		
Component	Description	Answer
What is the undesirable symptom you would like to address?	The visible result of the underlying root cause. The problem we would like to solve.	<i>The country has high rates of GHG emissions.</i>
First Why: Why is this happening?	Why does the country have high rates of GHG emissions?	<i>The country has a high dependence on coal-burning energy.</i>
Second Why: Why is this happening?	Why does the country have high dependence on coal energy?	<i>The country lacks the infrastructure for clean energy.</i>
Third Why: Why is this happening?	Why does the country lack the infrastructure for clean energy?	<ul style="list-style-type: none"> <i>The government does not have the funding for large-scale infrastructure projects and lacks the necessary frameworks, regulations, and policies to implement a clean energy program.</i> <i>The private sector and general population do not demand clean energy.</i>
Fourth Why: Why is this happening?	<ul style="list-style-type: none"> <i>Why does the government lack the necessary frameworks, regulations, and policies?</i> <i>Why does the private sector and population not demand clean energy?</i> 	<i>Historically, the country's energy has come from coal; its policies and infrastructure reflect this. Most people in Freedonia are more concerned with the cost of energy than its source.</i>
Fifth Why: Why is this happening?	Why don't the people of Freedonia care where their energy comes from?	<i>The people of Freedonia are unconcerned or unaware of the harmful health effects of burning coal or the economic possibilities new businesses could bring to the area.</i>
Team Discussion		
Does the answer to the fifth why reveal a root cause to address?	<i>Yes. Increasing the capacity of Freedonia's government is critical to implementing a clean energy program and decreasing GHG emissions. It is also critical to raise awareness in the private sector and the general population about the health and economic benefits of clean energy.</i>	

Table 4. Case Example, Five Whys



2.2.4: Conduct a Review of the Issue

The review of the issue is a close examination of the problem you would like to solve that takes into account the larger context of the external assessment and a greater understanding of the root causes. This step allows for deeper understanding of stakeholders and/or beneficiaries and what efforts are occurring in the geographic area related to this problem.

Information includes but is not limited to:

1. Beneficiaries or customers of the program

After learning the root causes and perpetuating factors of the problem, you can understand who the beneficiaries or customers of your program should be. Asking questions such as:

- Who is the relevant audience for the program? (e.g., group, age, gender, ethnicity, location, etc.)
- What are their needs?
- Why do those needs exist? (referring to external assessment and root cause analysis)
- How can their needs be met considering the root cause(s) and available resources?

2. The systems, culture, and behaviors that keep the problem in existence

Using information from the external assessment, consider the systems, behaviors, culture, beliefs, power structures, economics, security, and other factors that perpetuate an issue or problem.

3. Other actors and potential partners and relevant stakeholders

- It is important to ask if there are other organizations (federal agencies, NGOs, CSOs, local leaders, private sector partners, etc.) working in this area. Knowing this information can help you prevent a duplication of efforts, discover potential partners with whom you can work, and how you can learn from the other programs.
- Stakeholders include anyone who may be affected during or after the program implementation.

4. Unmet need for existing programs

In the process of identifying other factors, it is beneficial to assess the strengths and weakness of the programs in place. This can help you learn what programs have been successful and why. This analysis can help identify where there are gaps in current and past programs and where your program can fill a void.





After reviewing the case example below, click [here](#) to use the Review of the Issue or Problem Tool.



Mary conducted a document review and coordinated with interagency stakeholders to review the issue of GHG emissions in Freedonia. This information is important as it will inform the development of the problem statement, the goal(s) and objectives, the program logic, etc. The information from this analysis can be found in [Table 5](#).

Figure 7. Case Example, Review of the Issue or Problem Information

“One of the great mistakes is to judge policies and programs by their intentions rather than their results.”

– Milton Friedman


 CASE EXAMPLE: Review of the Issue or Problem		
Questions	Description	Answers
What are the root causes of the problem?	The underlying systemic causes of the problem inserted from Step 2.2 .	<ul style="list-style-type: none"> • <i>Lack of infrastructure</i> • <i>Lack of capacity to develop frameworks, regulations, and policies needed to implement a clean energy program</i> • <i>Lack of funds</i> • <i>Lack of awareness of health and economic benefits of clean energy</i>
What are the systems and behaviors that keep the problem in existence?	The systems, behaviors, culture, beliefs, power structures, economics, instability, etc. that perpetuate an issue/problem.	<ul style="list-style-type: none"> • <i>Existing frameworks, regulations, and policies do not promote clean energy and reinforce coal as a primary energy source.</i> • <i>Reliance on coal for commercial and residential energy needs</i>
Who are the beneficiaries/customers of the program?	Who will benefit most from the program? Who is in greatest need?	<ul style="list-style-type: none"> • <i>Freedonia Government</i> • <i>People of Freedonia</i> • <i>Businesses in Freedonia</i>
What are the needs of those recipients?	Consider the population you would like to target. What are their greatest needs?	<ul style="list-style-type: none"> • <i>Improved infrastructure</i> • <i>New frameworks, regulations, and policies</i> • <i>Funding and investment</i> • <i>Decreased health risks from poor air quality</i>
How can these needs be met?	Taking into account the root causes of the problem, immediate and long-term needs, how can the program address the needs of the recipients?	<ul style="list-style-type: none"> • <i>Support the building of hydro and wind power infrastructure by:</i> <ul style="list-style-type: none"> – <i>Building capacity and providing technical assistance to create sound frameworks, regulations, and policies and generate funding and investments;</i> – <i>Raising public awareness of the benefits of clean energy.</i>
Who are the other actors or potential partners working in the area?	Consider other actors in the area and sector who may be implementing similar programs.	<i>During the external assessment Mary and her team learned that the World Bank was implemented the En-R-Ge program, a power infrastructure program in Red and Blue Districts that focused on clean energy sources.</i>

Table 5. Case Example, Review of the Issue or Problem



Other Recommended Analyses for Consideration:

1. **Risk Analysis:** It is important to consider risk throughout the entire program design and performance management process. Please refer to the [2 FAM 30, Teamwork@State](#), and this [webinar](#) for more information on risk assessment and risk management.
2. **SWOT Analysis:** Another useful tool to consider when conducting a situational analysis is the SWOT analysis tool. A SWOT analysis identifies strengths, weaknesses, opportunities, and threats of implementing a program or project.

Other Recommended Analyses for Foreign Assistance Programs:

3. **Gender Analysis:** As stated in [USAID ADS 205](#), a gender analysis is important as it ascertains the:
 - a. Differences in the status of women and men and their differential access to assets, resources, opportunities and services;
 - b. Influence of gender roles and norms on the division of time between paid employment, unpaid work (including subsistence production and care for family members), and volunteer activities;
 - c. Influence of gender roles and norms on leadership roles and decision-making; constraints, opportunities, and entry points for narrowing gender gaps and empowering females; and
 - d. Potential differential impacts of development policies and programs on males and females, including unintended or negative consequences.

When conducting a gender analysis refer to [USAID ADS 205](#) for more guidance in conducting your gender analysis.

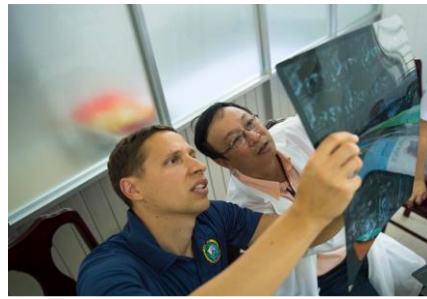
4. **Country Tropical Forest and Biodiversity Analysis:** As detailed in [USAID ADS 201](#) the incorporation of this country-level analysis into the design and implementation process can enhance the resiliency of over-exploited natural resources, improve environmental health, and strengthen partner-country environmental governance essential to achieving goals and objectives. Refer to [USAID ADS 201](#) for more information on conducting this analysis.
5. **Sustainability Analysis:** Sustainability issues should be considered during program design by conducting a Sustainability Analysis as part of your situational analysis. As stated in [18 FAM 005.1-5\(A\)](#) and [USAID ADS 201](#), under most circumstances, program outcomes are expected to be sustainable, meaning they continue or evolve under their own momentum or actions, without continued donor intervention. Posts are asked to analyze key sustainability issues and considerations around a host of issues including:
 - Economic
 - Financial
 - Social soundness
 - Cultural
 - Institutional capacity
 - Political economy
 - Technical/sectoral
 - Environmental



Program Design and Performance Management Toolkit



3



Section 3: Design a Program

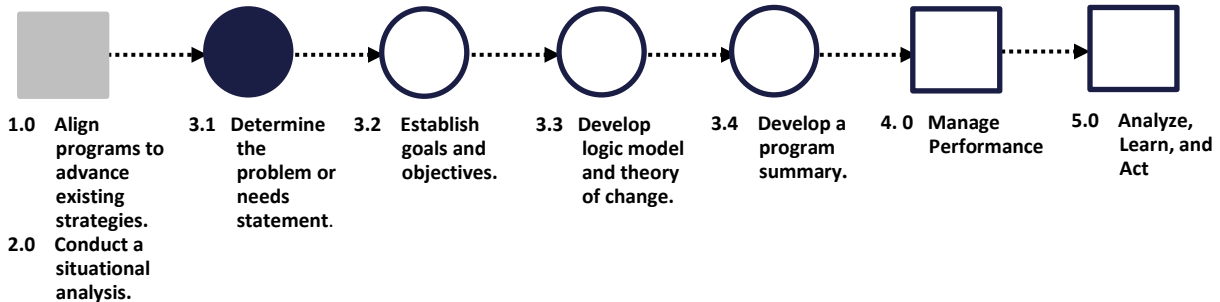
By the end of this section,
offices, bureaus, and posts will
develop:



- ✓ Problem Statement
- ✓ Program Goals and Objectives
- ✓ Logic Model and Theory of Change
- ✓ Program Summary

SECTION 3: DESIGN A PROGRAM

STEP 3.1: DEVELOP THE PROBLEM OR NEEDS STATEMENT



The first step in Section 3 is to develop a problem or needs statement. This is a clear description of the issue, challenge, or need the program seeks to address and serves as the program focus. Use the information from **Section 2** to form a comprehensive problem statement that is aligned with your office's, bureau's, or post's goals and objectives. Problem statements should take into account the scope, context, location, demographics, and stakeholders related to the program.

Developing a problem or needs statement provides the basis and reasons for implementing a program. The problem or needs statement condenses the information in Section 2: Conduct a Situational Analysis – External Assessment (to understand the environmental context), Root Cause Analysis (to understand underlying causes of the problem) and Review of the Issue (to understand and narrow in on specifics surrounding the issue) – to form a clear, succinct, detailed description of the problem.

To develop a problem statement, answer: *who, what, where, when, why, and how*:

1. Identify Who

- Understand the demographics of the possible beneficiaries or customers
- Understand the key stakeholders engaged in or who may be affected by the program's activities

2. Identify What

- Understand the scope and subject matter of the issue
- Understand the extent, or the size and scale of the issue
- Understand the severity, or the gravity, and urgency of the issue

3. Identify Where

- Describe the geographic or specific locations where the issue takes place
- Understand the location of the issue or problem

4. Identify When

- Understand the timing of the issue or problem, if applicable
- Understand contextual factors that affect when it occurs



5. Identify Why

- Understand the cultural impact surrounding the issue or problem: politics, beliefs, customs, norms, power structures, etc.
- Understand the underlying root causes of the issue or problem
- Understand perpetuating factors that give rise to the issue or problem

6. Identify How

- Review the customers and stakeholders identified in “who” and discuss more specifically how this issue affects this population
- Review gender analysis (if conducted)

7. Develop the Problem or Needs Statement

The previous six answers combine to help form the problem statement, which should be a clear description of the issue or problem the program would like to address. Walking through the problem statement in terms of who, what, where, when, why, and how enables you to understand the context around the issue you would like to solve. A case example is provided in **Table 6** below.



After reviewing the case example below, click [here](#) to use the Develop the Problem or Needs Statement Tool



Mary and her team used information from the situational analysis to answer specific questions about the problem: who is affected, to what extent the problem affects them, where the issue occurs, when, why and how. Mary and her team used the Problem or Needs Statement Tool to determine the exact challenge their program will address. This information will be used in the development of the goals and objectives and lays the foundation for designing the program. Please see the information from Mary’s team in **Table 6**.

Figure 8. Case Example, Problem or Needs Statement Information



CASE EXAMPLE: Develop the Problem or Needs Statement

Question	Category	Definition	Answer
WHO	Stakeholders and/or Beneficiaries	Describe who is involved in the issue or challenge	<ul style="list-style-type: none"> Government officials at the Ministry of Interior Bureau of Energy lack capacity to create a clean energy program. Private manufacturing sector does not want to invest in clean energy. World Bank En-R-Ge Program has committed to building wind and hydro power systems in Red and Blue districts. General population lacks awareness of climate change and the benefits of clean energy.
WHAT	Scope, Extent, Severity	Describe the: <ul style="list-style-type: none"> Sector, area, or subject matter Scale or magnitude Gravity and urgency 	<ul style="list-style-type: none"> Sector: Clean Energy – based on geography and previous studies, wind and hydro are the best forms of clean energy for Freedonia Scale: implement clean energy programs in Blue and Red districts Urgency: Freedonia pledged to decrease GHG emissions by the year 2030 by 25%
WHEN	Context	Describe when the issue or challenge takes place. Be sure to include any specific context or circumstances under which the issue or challenge occurs such as time of day, time of year, or time in one's life.	At the national level the need is persistent, and becoming more urgent as the time for meeting the GHG reduction commitment approaches. At the local level, the need for clean energy is most acute, as rates of respiratory illnesses are increasing.
WHERE	Location	Describe the geographic or specific location where the issue occurs.	<ul style="list-style-type: none"> Districts of Red and Blue report the greatest dependency on coal energy for both industrial and personal use. Red and Blue districts have the geography to support wind and hydro energy. World Bank program in these districts




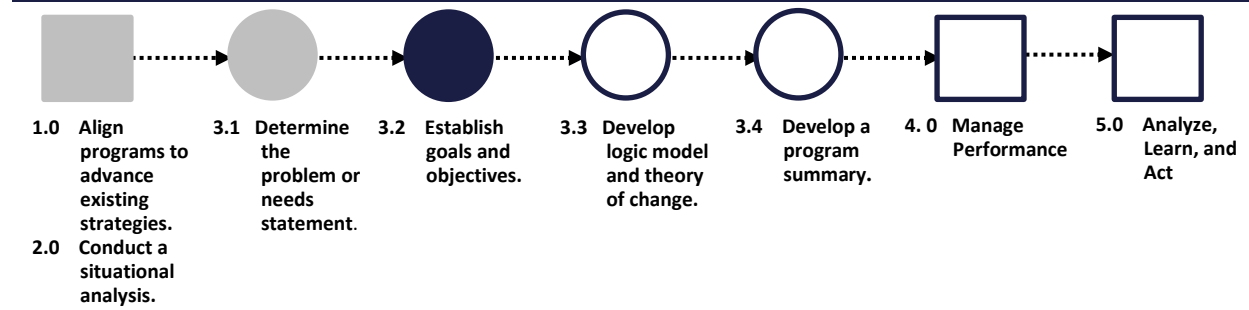
 CASE EXAMPLE: Develop the Problem or Needs Statement			
Question	Category	Definition	Answer
WHY	Causes	Describe the root causes of the issue or challenge.	<ul style="list-style-type: none"> • Lack of infrastructure • Lack of capacity to develop frameworks, regulations, and policies needed to implement a clean energy program • Lack of funds • Lack of awareness of health and economic benefits of clean energy
HOW	Effect	How does the issue affect the customer or beneficiary?	<ul style="list-style-type: none"> • Burning coal has polluted the air and led to a high incidence of respiratory illness. • The pollution has made it unfeasible to develop a tourist industry. • There are no clean energy jobs in Freedonia.
Problem Statement	Using the information described in the six categories above, write a detailed problem statement to guide the program design process.		Current GHG emission levels should be curbed or reduced to improve long-term health and economic outcomes in Freedonia, but the government lacks the capacity to create and implement the policy and regulatory frameworks necessary to develop a Clean Energy sector and citizens are not aware of the benefits of clean energy sources.

Table 6. Case Example, Problem or Needs Statement

STEP 3.2: DEVELOP PROGRAM GOALS AND OBJECTIVES



The terms *goals* and *objectives* are often used interchangeably, as both point toward the anticipated results of the program, but each serves a different purpose. *Goals* are broad and indicate overarching aims that the program contributes to, but may not necessarily be achieved within the timeframe of the program. *Objectives* are narrower, more specific, and should be realized within the program timeframe. Program objectives should articulate desired results that will help accomplish program goals. There are usually two to five program objectives per program goal. Note that goals and objectives can be created separately, or as part of your logic model exercise described in [Step 3.3](#) of the Toolkit.

Program Goal(s) explain the overall intent or purpose of the program to which program objectives and subsequent activities are expected to contribute. Goal(s) focus on the desired outcomes. Program goal(s) should be:

- **Broad and visionary:** Program goals are ambitious in nature but also realistic. They should be specific enough to clearly communicate program aims, express future direction and vision by using active or directional verbs, and avoid overly technical terms or acronyms.
- **Long-term:** Program goals may extend beyond the timeframe of the program.
- **Not program resource-dependent:** Program goals should not be limited by program resources because they represent a broader desired end state to which the program is contributing.
- **Strategy alignment:** Program goals should align with and advance existing strategies.

Objectives are the highest level result the program can affect or achieve towards accomplishment of the program goal(s). They are statements of the condition(s) or state(s) the program is expected to achieve within the timeframe and resources of the program. To enable sound performance management, objectives should ideally incorporate SMART principles: Specific, Measurable, Achievable, Relevant, and Time-bound.

- **Specific:** Describes the desired result in concrete and clear terms such that anyone reading it should interpret it in the same way
- **Measurable:** Can be evaluated and/or assessed against some standard such that it is possible to know when the objective is met
- **Achievable:** Attainable within allotted time and resources
- **Relevant:** Linked to achieving the program goals



- **Time-Bound:** If applicable, describes when the objective will be complete and any check points relevant to program goals, activities, or resources



After reviewing the example below, click [here](#) for the Develop Program Goals and Objectives Tool. For more guidance on developing program objectives, consider using the **SMART principles** – Specific, Measurable, Achievable, Rellevant, and Time-bound.



Mary and her team used information from the situational analysis to develop the problem statement: *Current GHG emission levels should be curbed or reduced to improve long-term health and economic outcomes in Freedonia, but the government lacks the capacity to create and implement the policy and regulatory frameworks necessary to develop a Clean Energy sector and citizens are not aware of the benefits of cleaner energy sources.* This information will be used in the development of the goals and objectives in **Figure 10**. Upon developing the goals and objectives, Mary and her team will develop the Program Logic Model.

Figure 9. Case Example, Develop Program Goals and Objectives Information

“Not everything that can be counted counts, and not everything that counts can be counted.”

– Albert Einstein





CASE EXAMPLE: Develop Program Goals and Objectives

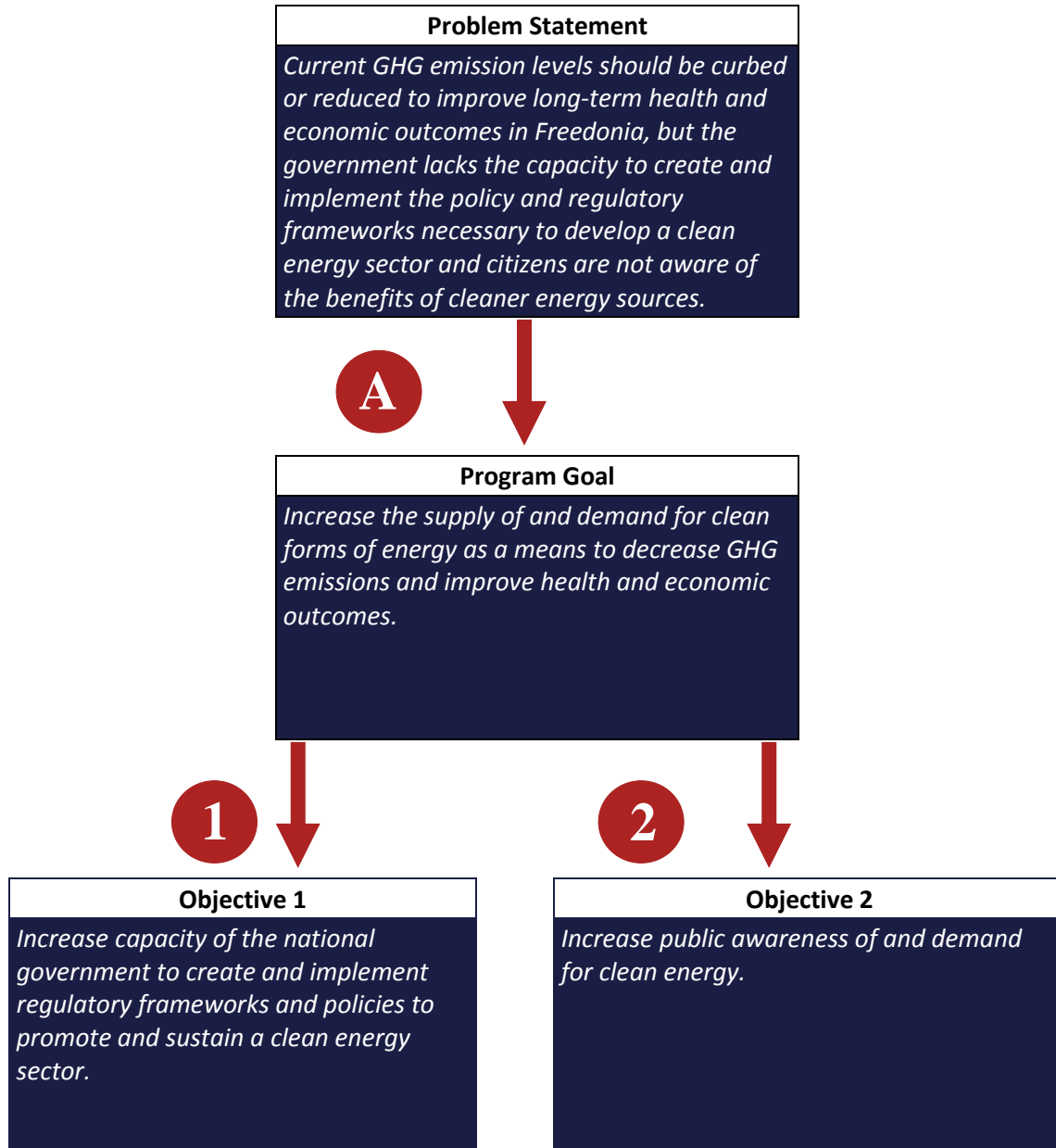


Figure 10. Case Example, Program Goals and Objectives