

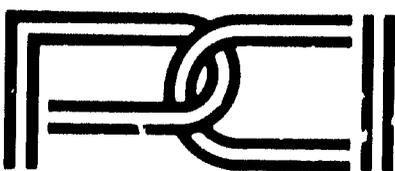
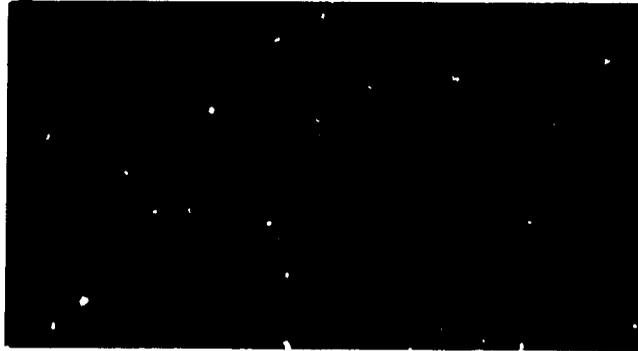
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PRACTICAL CONCEPTS INCORPORATED

INSTALLATION OF AID'S
PROJECT EVALUATION SYSTEM
VOLUME ONE
RESULTS AND RECOMMENDATIONS

SUBMITTED TO
AGENCY FOR INTERNATIONAL DEVELOPMENT
FOR
FINAL REPORT
CONTRACT NUMBER csd-2885

BY
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PREFACE

This final report is submitted to the Agency for International Development by Practical Concepts Incorporated, in accordance with the requirements of Contract Number csd-2885. It reports on the efforts to install the improved Project Evaluation System (PES) throughout the Agency, during the period from October 1970 through July 1971.

This volume of the report, the Executive Summary, briefly summarizes both the activities undertaken and the results realized. Next steps to be taken by the Agency are recommended -- to consolidate the advances made by the installation effort and realize their full potential.

Volume II of this final report, submitted separately, presents a more comprehensive picture of activities and results. Volume I adequately summarizes the explicit results and recommendations for most readers outside the evaluation community. However, even the casual reader may wish to examine the Appendices of Volume II. (The appendices present comments made by Mission personnel during the course of the installation effort, responses to questionnaires, and anecdotal statements as to the results realized for individual projects.)

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CHAPTER I INTRODUCTION

A. BACKGROUND

The Agency for International Development has clearly recognized both that evaluation is important and that the primary audience for evaluation must be the local managers who are responsible for replanning. However, a study performed in FY 1969 - FY 1970* showed that evaluation was not bringing important benefits to local USAID Mission management and that evaluation reporting requirements tended to be viewed as AID/W intrusions in Mission affairs.

The study of evaluation practice in AID further suggested that difficulties in evaluation were caused by three basic issues. In the overwhelming majority of cases:

1. Purposes of development projects were not defined sharply, and the connection between a project and its higher goal not only unclear, but rarely postulated;
2. USAID staff did not accept explicit responsibility for project success, as success is highly dependent upon actions of others -- thus, there was no clear sense of management responsibility;
3. Lacking the orientation that should be provided by clear-cut plans and sharply defined management responsibilities and the methodology appropriate to a well defined experimental situation, the USAID evaluator found evaluation difficult and found it even more difficult to translate evaluation results back into better plans and better projects.

*Contract No. esd-2510, "Project Evaluation and The Project Appraisal Reporting System".

To resolve these problems and thus provide a basis for evaluation, an evaluation system was developed based on two key elements:

1. Evaluation must be a Mission-useful process supporting USAID planning and decision making, and only secondarily providing a report to AID/W;
2. USAID staff should consider their projects as experiments in applied social science, allowing use of evaluation tools associated with "scientific methodology" and, at the same time, clarifying USAID management responsibilities.

B. SCOPE OF THIS CONTRACT

The revised evaluation system centers around concepts and a process that must be accepted and used by USAID Mission personnel. (Key elements of the System are summarized in Section II of this report.) Prior experience with the Manual Order System, and generally with written instructions from AID/W, strongly suggested that if the field were to obtain the important benefits offered by the new System, on-site familiarization and training would be required. Thus, it was decided that the most effective way to implement an Agency-wide project evaluation system was to "install" a Project Evaluation System in each and every one of the USAID Missions.

With the purpose of this effort being an institutionalized, Mission-useful Project Evaluation System, a set of outputs was defined as necessary (and hopefully sufficient) to achieve that purpose. These outputs, required for each Mission, were:

1. The Mission Evaluation Officer (MEO) has sufficient command of the System concepts that he can both use them and teach others;
2. Top Mission management supports the System, creating a "demand" for the System products;
3. A "critical mass" of Mission staff understand, use, and value the concepts and the operating system;

4. Sample projects evaluated, both to demonstrate the value of the System and to familiarize representative Mission staff at all levels;
5. The Mission Evaluation Officer functions as a manager of the evaluation process -- an orchestrator rather than an evaluator.

The above conditions were necessary for the System to be institutionalized, and it was hypothesized that this set of outputs would be sufficient. At the same time, it was clear that some outputs had to be uniquely defined for each Mission. For example, the skills required and approaches used by Mission Evaluation Officers "in orchestrating" the evaluation process will vary widely depending upon receptiveness of Mission management, staff competence and interest, and the type of Mission program.

Similarly, the number and types of individuals to be familiarized and motivated to create the "critical mass" will vary both with Mission size and with receptiveness of top management. (In a small Mission with a very strong Director, orienting and motivating the Director and his Program Officer might be sufficient. On the other hand, if the Director and Program Officer are not available for orientation, then it would be necessary to orient and motivate a large segment of the Mission to create the necessary "critical mass.")

Mission installation visits, to adapt the System to meet Mission-unique requirements, involved three basic steps:

1. Training AID/W personnel to assist in on-site installation and to clarify roles of Regional Evaluation Officers;
2. Cluster training conferences at which two members from each Mission were familiarized with the System concepts so they could prepare their Mission for the subsequent Mission installation visit;
3. On-site installation visits by teams including both PCI and AID/W personnel.

During the Mission visits themselves, there was a further sequence of events, including:

1. Familiarizing all members of the Mission staff with the System concepts and process;
2. Actually evaluating two Mission projects -- to train the Mission Evaluation Officer and project teams, and to demonstrate the value of the System;
3. Based on analysis of Mission operations, defining specific outputs -- including individuals to be trained, process modifications, reporting instruments, etc. -- needed to institutionalize the process in that Mission;
4. To the extent that time allowed, producing the required outputs;
5. Recommending to the Mission Director such further actions as would be required subsequent to the installation visit.

A simplified model of the activities and their intended results is shown in Figure I-1.

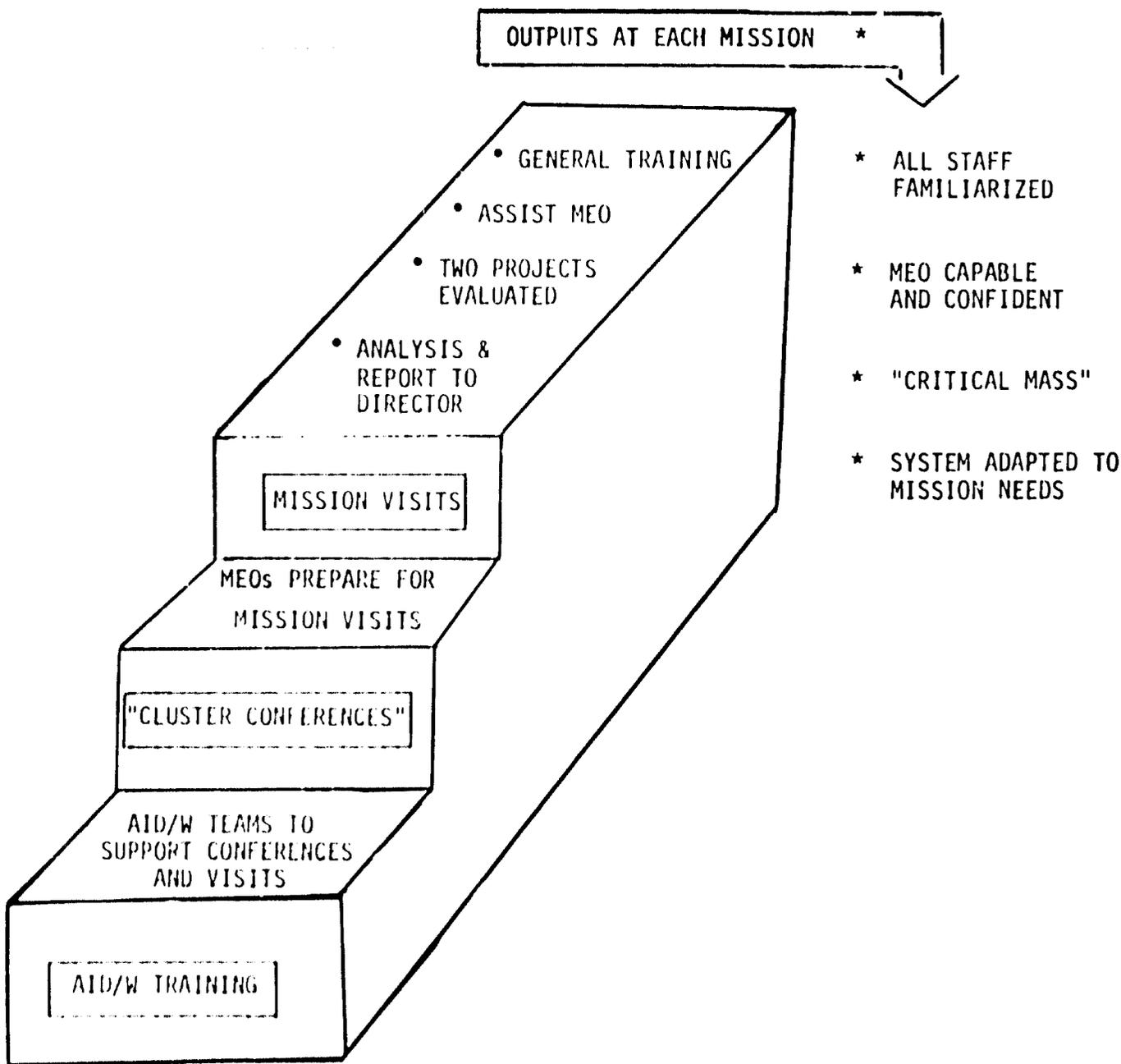


Figure I-1

Sequence of Activities: Mission Installation was Preceded by Training AID/W Personnel and Then Evaluation Conferences for Mission Personnel

CHAPTER II

KEY SYSTEM CONCEPTS

Before discussing results of the installation effort, it is appropriate to summarize the organizing concepts of the Project Evaluation System. It is convenient to consider these organizing concepts in two dimensions:

1. The "Logical Framework" that organizes information and clarifies intent;
2. The evaluation process, that organizes people and activities to ensure that real benefit is brought to Mission management.

A. THE LOGICAL FRAMEWORK: CONCEPTS FOR ORGANIZING INFORMATION

To clarify project purpose and provide a framework for evaluation, communication, and replanning, the evaluation system requires that projects to be evaluated be expressed in the "Logical Framework."

The Logical Framework has come to be associated with the 4 X 4 matrix that is only the display device (Figure II-1). Actually it is a set of interlocking concepts that clarify why a project is being undertaken and specifically what we will do to achieve the desired result.

It is convenient to think of the Logical Framework in terms of two types of thought processes: (1) a vertical logic that clarifies why a project is undertaken, and (2) a horizontal logic that clarifies what is to be produced and the evidence that will signal success.

1. "GPOI": The Vertical Logic of the Logical Framework

"GPOI" is an acronym for: Goal - Purpose - Outputs - Inputs, and it

**PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK**

Life of Project: _____
 From FY _____ to FY _____
 Total U. S. Funding _____
 Date Prepared: _____

Project Title: _____

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Program or Sector Goal: The broader objective to which this project contributes:	Measures of Goal Achievement:		Assumptions for achieving goal targets:
Project Purpose:	Conditions that will indicate purpose has been achieved: End of project status.		Assumptions for achieving purpose:
Outputs:	Magnitude of Outputs:		Assumptions for providing outputs:
Inputs:	Implementation Target (Type and Quantity)		Assumptions for providing inputs:

Figure II-1. The "Logical Framework" - Organizes information by clarifying why a project is being undertaken and what will be produced. The result of the clarification can be conveniently displayed in this 4 x 4 matrix.

characterizes a project as a set of linked hypotheses of the form:

"If we provide the following inputs, then we can produce the requisite outputs;

if we produce those outputs, then the purpose will be achieved;

if the purpose is achieved, then the goal will be realized."

Good project design then requires that at each level in the vertical logic, the stated conditions be those necessary and sufficient to achieve the next level. That is, the inputs must be necessary and sufficient to produce all of the outputs; outputs must be necessary and sufficient to achieve the purpose, etc.

Recognizing both that the full set of necessary and sufficient conditions must be indicated at each level, and that many things important to project success may be outside AID's control or influence, GPOI also requires that the Project Manager identify the key assumptions he must make to postulate success of his project. That is, he must explicitly identify the factors beyond his influence that will affect success of his project. Assumptions may encompass a full spectrum -- from political stability and the weather to the ability of AID/W to find appropriate technical support. The important point is to focus attention on factors that are vital to the success of the project but outside the Project Manager's control. (Thus, the assumptions about a project are often the focus of dialogue between the Project Manager and next levels of management.)

Having characterized the project as a set of linked hypotheses, it is important to note that there is a qualitative difference between input to output linkage and all higher linkages. We can expect the Project Manager to appropriately use input resources to produce outputs; he is accountable for results. However, it is his best judgment -- a hypothesis shared by the Project Manager and his higher levels of management -- that outputs will, in fact, result in purpose. Based on this view,

the manager accepts personal accountability for producing outputs; he is a project manager in the contemporary sense of the term. However, in postulating that those outputs will be sufficient to realize the purpose, he is a development scientist. He is held accountable for the quality of his analysis and judgment -- not for the purpose-level results.

Separating the conventional management role from his role as a development scientist -- with the project as an experiment in development -- sets the framework for a candid and objective evaluation. Thus, the Logical Framework not only clarifies why projects are undertaken, but also fosters the objective and analytical sorting of evidence required by the evaluation process.

2. Objective Verification: The Horizontal Logic

Having clarified the basic design of a project in terms of inputs, outputs, purpose and goal -- why the effort was undertaken -- the Logical Framework demands that the project team note the evidence required to demonstrate accomplishment. We use the term "horizontal logic" because experience shows that spelling out the evidence required to demonstrate a given event often clarifies the nature of the event itself.

Specifically, the horizontal logic demands that at each of the GPOI levels the project team specify:

1. Objectively verifiable indicators that will demonstrate that the desired result has been realized;
2. Means of verification -- specific mechanisms through which accomplishment will be objectively verified.

It is important to note that objective verification does not demand quantification. In fact, the two-step clarification of evidence -- identifying first the indicator and subsequently the means of verification -- is specifically introduced to encourage project teams to measure that which is important, rather than that which is easily measured.

When dealing with complex change, there may be no single indicator that signals success. For example, is there a single indicator that a university is viable? In most development projects, any single indicator of purpose achievement will be suspect because there will be other plausible explanations for change in the indicator.

Recognizing the limitations of single indicators for measuring complex change, the Logical Framework encourages using multiple indicators to verify success at the purpose level. The framework requires that the project team specify the evidence that will indicate purpose has been achieved. In most cases, multiple indicators are required.

B. THE EVALUATION PROCESS: CONCEPTS FOR ORGANIZING PEOPLE AND ACTIVITIES

The elements of the evaluation process are:

1. The Logical Framework, which presents the project intent and expectations in an easily understood and easily evaluated form;
2. The Mission Evaluation Officer (MEO) who manages the evaluation process to ensure that it brings benefit to the participants;
3. The Project Team, the set of individuals most directly concerned with the project, who will undertake the basic evaluation and the replanning activities suggested by the evaluation;
4. The Mission Evaluation Review -- a questioning, but collegial process focused on how to make the project better (and in which the project team re-creates the analysis from which its conclusions derive);
5. The Project Appraisal Report (PAR), forwarded first to the Mission Director for action and then to AID/W to demonstrate that an effective evaluation has taken place;

6. Guidelines and advisory material spelling out in detail evaluation sequences and operations to be undertaken by the Project Team.

The evaluation process leaves much to the discretion of the project team. There is a check on the project team, however, in the Mission Evaluation Review. Thus, the performance standard for the evaluation will be set by the Mission itself.

The evaluation sequence creates a task oriented, interactive process associated with the evaluations that bring benefit to Mission managers. Evaluation emphasis is on utility to the project team -- the individuals who must take the replanning actions. The PAR is a low-cost by-product of a Mission-useful process, and it is sent to AID/W primarily to signal completion of that process.

The sequence of evaluation events is summarized in Figure II-2. Key to the successful performance of this process is the MEO's role as manager and orchestrator. He provides advice and support to the project team, schedules all activities, is responsible for reporting and, in many cases, follow-up. However, he is not the decision-maker.

The evaluation process recommended by PCI has the MEO moderating the Mission Evaluation Review. Where Directors attend such reviews, senior staff have suggested it is inappropriate for the MEO to moderate. However, where the MEO did moderate the review over the objections of senior staff, the Mission Director found it valuable. Meetings should be managed to bring results. Participants in the evaluation review have responsibilities to that review, and should be expected to pursue them. A detached moderator, which a Mission Director can never be, is of great value in this circumstance. Specifically, he frees the Mission Director to pursue investigations appropriate to his needs, with the MEO ensuring that all the important points of view are brought out.

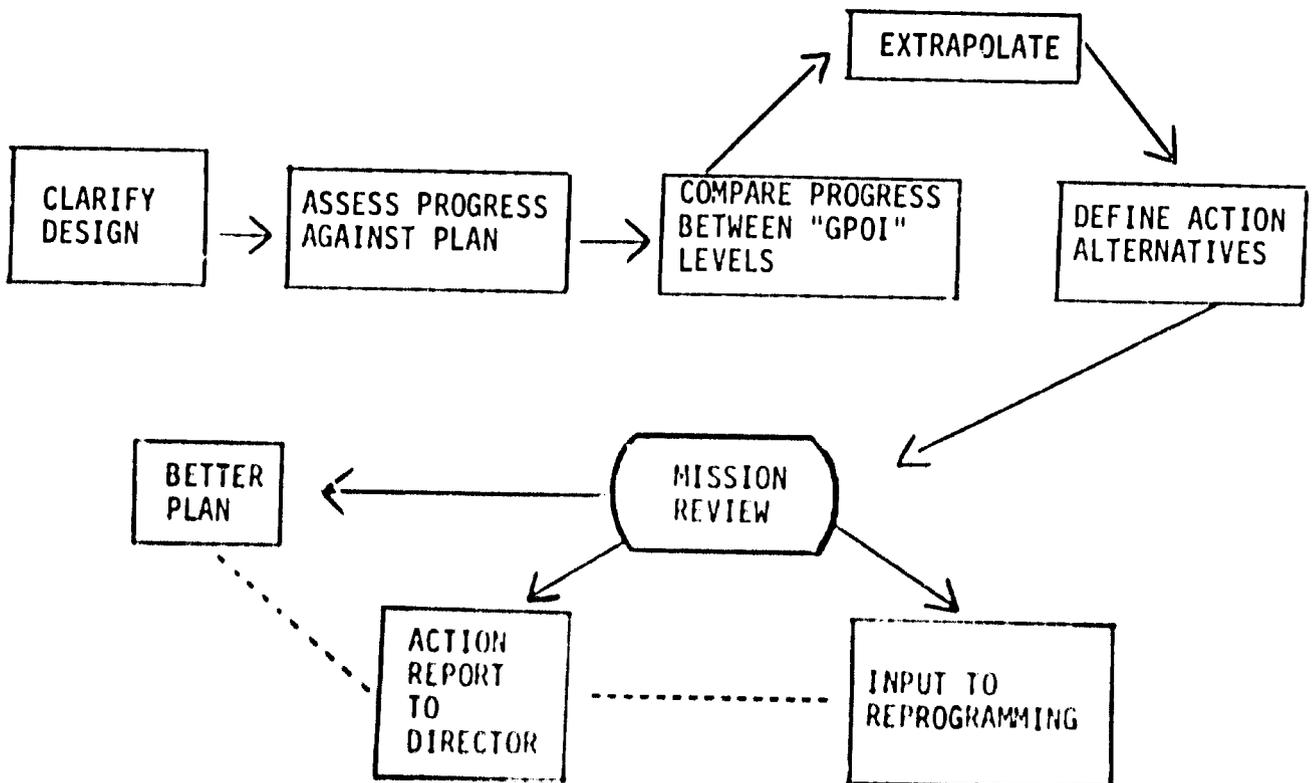


Figure II-2

The Evaluation Process is Managed by the MEO to Produce:
An Improved Plan, an Action-Oriented Report, and Data for Reprogramming

In essence, then, the evaluation process is a way of organizing people and activities to ensure that there is a collegial, interactive questing after the best possible projects and programs. This is in contrast to the adversary relationships that have, unfortunately, characterized many earlier evaluations.

CHAPTER III
RESULTS TO DATE

The Project Evaluation System has been installed in 33 USAID Missions, and more than 230 AID/W personnel have been oriented to the System concepts. The reception has been overwhelmingly positive. The evidence tells us that we have created a climate of beneficial change in the Agency, and a firm foundation has been laid -- not only for evaluation system operations, but for important improvements in program/project design.

This section of the report summarizes the activities performed under this contract and specific results realized. (Implications of the evidence and recommendations for consolidating the advances are contained in Chapter IV of this report.)

A. INPUTS TO OUTPUTS: BASIC ACTIVITIES UNDERTAKEN

In addition to 33 on-site Mission installation visits and as a result of efforts under this contract:

1. Twenty-seven AID/W personnel were intensively trained via five one-half-day sessions;
2. Two hundred thirty AID/W personnel are familiar with the System concepts through formal briefing sessions;
3. Eighty-two USAID Mission personnel were intensively trained at the Regional Evaluation Conferences;
4. An additional 250-300 Mission personnel were intensively trained during the course of the Mission installation visits;
5. Approximately 80% of USAID Mission staff have been familiarized with System concepts through half-day training sessions;*

* The 80% figure is on the conservative side, as we did attempt to involve all members of the Mission staff in some form of training exercise.

6. Sixty-four projects were analyzed using the Logical Framework and evaluated as demonstrations during the installation visits;
7. Recommendations for adopting the System made to directors of each Mission visited.

The number and types of projects actually evaluated during the course of the on-site visits are summarized in Table III-1. As may be noted, the spectrum of projects is fairly complete, and the concepts and the System have been found appropriate to all.

(The statistics above do not include PCI efforts at USAID/ROCAP in Guatemala, funded under a separate contract. However, thirteen ROCAP projects are included in Table III-1.)

B. OUTPUTS TO PURPOSE: INSTITUTIONALIZING THE PROJECT EVALUATION SYSTEM IN AID

The purpose of this effort was to institutionalize a Mission-useful Project Evaluation System in each USAID. There are two elements to consider in the analysis of the output to purpose link: First, to what extent have the full set of outputs been produced so that we should expect successful institutionalization? Second, what is the evidence of progress toward institutionalization?

PCI's role in the evaluation system installation has been only marginally concerned with AID/W operations and has been primarily directed at the Missions. Therefore, the following discussion is aimed at the 33 individual "projects" of customizing the System to each of the 33 USAID Missions.*

*It should be recognized that an Agency-wide evaluation system does not require immediate functioning of evaluation systems in all Missions, but rather a "critical mass" of Missions using the System. They will point the way by providing real benefit to themselves and to AID/W, an example for other Missions to emulate, and an effective training ground for circulating personnel.

TABLE III-1
Characteristics of Projects Evaluated
during Mission Installations

(Does Not Include AID/W Projects)

Project Types	Agriculture	Education	Public Health & Family Planning	Private Enterprise Development	Public Administration	Public Safety	Social Development	Total
Institution Building	11	12	5	4	7	1	1	41
Direct Production	5	0	1	0	0	1	0	7
Mixed Institution Building/ Direct Production	16	4	0	5	3	0	1	29
TOTAL	32	16	6	9	10	2	2	77
Non-Capital	26	12	6	9	9	1	2	65
Capital	1	0	0	0	0	0	0	1
Mixed Non-Capital/Capital	5	4	0	0	1	1	0	11
TOTAL	32	16	6	9	10	2	2	77
Regional	3	6	1	2	1	-	1	14
Bilateral	29	10	5	7	9	2	1	63
TOTAL	32	16	6	9	10	2	2	77

Before proceeding with an assessment of the output to purpose link at the Missions, it is useful to remember the approach to Mission installation. That is, simultaneous with the training and actual evaluation of projects, the PCI consultant was to:

1. Analyze Mission operations to select an appropriate "critical mass";
2. Define procedures, techniques, and other things necessary to implement a Mission-useful system in that Mission;
3. Go as far as possible during the course of a single work-week to implement his own recommendations;
4. Recommend to the Director such other actions required to fully implement the System and carry it to operational status.

Thus, the PCI consultant was in a position of adapting the System to the Mission within the course of a week -- writing a prescription for additional operations to be carried on after his leaving. The best evidence we have of the extent to which that prescription has been or will be filled by the Mission is the PCI consultant's own assessment of the situation -- his judgment as to whether the things that were required for successful adaptation of the System were in place. The possibility exists that his judgment could have been wrong in either defining what was required or in judging whether that which was required was, in fact, in place.

Responding to whether or not all things necessary for successful operation of a Mission-useful system are in place, PCI personnel judged that:

1. In twelve Missions, the conditions necessary and sufficient to institutionalize the evaluation system were, in fact,

present as of the end of the one-week visit;

2. In eleven Missions, there was insufficient information on which to make this judgment;
3. In ten Missions, additional effort will be required to institutionalize the System.

It should be noted that the above assessments are as of the time the PCI representative left the Mission. These data, therefore, are already obsolete.

Where PCI felt that additional effort would be required to institutionalize the System, it was generally due to one of three factors:

1. The Mission lacked a trained Mission Evaluation Officer who could, over the next six months, give System implementation the time and priority required;
2. Important individuals were not available for orientation, or in a few cases, not receptive to the System concepts;
3. In some Missions, a technical assistance Project Evaluation System is not sufficiently relevant to the needs of top management. (Specifically, Mission Directors require management tools that will assist them in program evaluation and/or must cover capital projects.)

Good evidence of success at the purpose level -- as to whether an evaluation system was actually institutionalized -- is simply not available. Follow-up visits to selected Missions to assess the impact of the installation visits were originally proposed, but not funded, under this contract. Therefore, the only evidence immediately available are (1) the unsolicited responses from Mission personnel and (2) the quality of the PARs that have been forwarded.

Although the unsolicited comments from Mission personnel have been almost entirely favorable and supportive of the evaluation system, the real evidence of institutionalization is limited. Project Appraisal Reports have been received for the most part only for projects that were evaluated during the Mission visits. On the other hand, a number of Missions have prepared and forwarded Logical Frameworks without AID/W solicitation.

Although the data indicating successful operation of evaluation systems are incomplete, there is conclusive evidence that the evaluation concepts, particularly as they relate to program and project design, have already brought important value to the USAID Missions and, if properly supported, will continue to bring value over the years to come. This aspect of the installation effort is discussed in the following.

C. VALUE OF THE INSTALLATION TO DATE: USEFUL CHANGES
IN MISSION THINKING AND PROCESSES

There are as many views of "how" and "whether" the Project Evaluation System is valuable as there are managers within the USAIDs. However, certain clear patterns emerge.

1. Almost all USAID personnel who offered opinions or from whom opinions were solicited felt that a Logical Framework was an extremely effective as well as efficient way of summarizing project design;
2. A vocal majority felt that the Logical Framework concepts should be extended to the programming process, and be used to frame investment decisions (e.g., in the PROP and in budgetary processes);

3. The majority of Mission Directors as well as project management personnel felt that the full value of the evaluation system would be realized if, and only if, the Logical Framework were incorporated in the PROP requirement;
4. The project team approach, involving interested parties in a task-oriented, interactive process, brought real value for the projects evaluated;
5. The System emphasis on evaluation as a Mission-useful process, aimed at better projects rather than assigning blame or reporting to AID/W, was universally accepted as appropriate;
6. The generally defined evaluation process, guidelines to assist that project, and checklists to stimulate thinking about the projects were well received once it was clarified that these were starting points -- ways of initiating and supporting important analytical exercises within the Missions;
7. The modified Project Appraisal Report (PAR) was universally accepted as an important improvement over the previous document.

There are a number of important indicators of the value of the Project Evaluation System. One of the most interesting to us was the conversion rate of the skeptics. At each of the cluster conferences, there was one intelligent and articulate individual who was extremely doubtful that the System would bring real value to his Mission. In each case where PCI later visited these individuals at their Missions, they had tried the process, found it worked, and had "converted." These same individuals now tend to be strong advocates for the System.

Another indicator of perceived utility was that Mission staff repeatedly recognized that the Logical Framework had important implications for project and program design. In fact, the most important failing of the System -- pointed out repeatedly at the USAID Missions -- was that the System as presented did not extend itself into the programming process.

D. COMMON COMPLAINTS

Having expressed some important indicators of success, it is fair to indicate the commonly expressed complaints. Resistance to the System focused on one of three issues:

1. The System concepts are too simplistic;
2. Complying with this project design and evaluation approach will require more time than the already overloaded Mission staff can afford to spend;
3. The PAR is incomplete.

PCI does not believe that the number of individuals within the Agency who hold one or more of the above views is large enough to cause real problems for the System; however, these views were presented often enough that it is useful to discuss them individually.

"The System Concepts are too Simplistic"

In large group circumstances, one individual would typically voice this view, and voice it strenuously.

PCI's position on this matter is that the simplicity of the concepts is one of their most important virtues. A project design and evaluation approach was developed based upon the best practices of AID personnel, re-expressed in simplified, easily communicated, but disciplined, form. The simplicity of the System focuses attention on what is crucial, separating the important elements from the mass of data available. The simplicity not only provides an improved basis of communication about projects, but by forcing clarity and conciseness allows the sophisticated analyst to use measurement and verification techniques appropriate to his interest, competence, and means.

"Design Clarification and Evaluation Take More Time
Than Mission Staff Can Afford to Spend."

This issue can be examined in three dimensions:

1. Cost of this process compared to prior processes;
2. Return on the evaluation and design clarification investment in terms of more efficient use of management time subsequent to the evaluation;
3. Important value of the design/evaluation approach in terms of project improvement -- increasing the probability that projects will have important development impact.

Obviously, the last of the above -- the important improvements in Mission projects and programs -- is the primary measure. However, the Project Evaluation System appears to be fully justified on the basis of the first two of the above. First, although we can reasonably expect three to ten man-days to be consumed in clarifying design, evaluating and subsequent replanning, this does not compare unfavorably with the twelve to fourteen man-days that Missions typically spent responding to the old PAR reporting requirement. (Refer to Table 4-3 of the Final Report under Contract No. csd-2510.) Second, the clarification of project design forced by the evaluation process saves management time. In the course of clarification/evaluation processes at the Missions, it was the norm rather than exception to have important issues raised and resolved in a way that had not been previously possible. For many projects, there are subtle disagreements among the interested parties -- program office, Project Manager, Division Chief, Chief of Party, etc.

These subtle differences often led to periodic discussions that were disturbing but did not effect resolution. The interactive evaluation process and the need for conciseness enforced by the Logical Framework can surface these previously subliminal differences in perception and allow the project team to resolve them once and for all. It is PCI's judgment that, averaged over all projects in the Agency, the time spent using the evaluation system will be offset by improved, more focused, analysis and discussions. This perception is generally shared by Mission staff. (Further, the time saved by resolving such issues is not the important result. Surely, there is some substantive value in having the entire project team working toward a clear, mutually agreed upon objective.)

Improvements in Mission projects and programs is best assessed by the Missions themselves. The assessments of both Mission staff and PCI personnel were close to unanimous as to the potential value of the System concepts. Looking at the projects evaluated during the Mission installation visits, PCI judged that important benefit was brought to the Mission as follows:

1. Roles and responsibilities clarified (37 evaluations);
2. Constructive communications and dialogue initiated (46 evaluations);
3. Important decisions made in the evaluation review, using the evidence from evaluation (26 evaluations);
4. Hitherto unnoticed problems in the project identified (15 evaluations).

The most encouraging statement about cost versus value of the Project Evaluation System was made by the director of a large Mission:

"So what if this process takes a lot of time -- it's what this business is all about and what you're paid to do."

Clearly, the Director quoted above, and a number of other Directors contacted during this installation effort are well aware of the fact that the evaluation system supports the Agency's program to improve project management. The evaluation system and several of its conceptual components are important management tools that can be skillfully used to clarify management responsibilities and facilitate planning and programming. The value of those tools is primarily to, and can be best assessed by, Mission Directors.

"The PAR is Incomplete."

In a number of cases, participants in the evaluation review indicated that the PAR was incomplete -- it did not provide enough information about resource consumption, detailed schedules, etc. The PAR does, in fact, contain substantially less than a complete picture of the project, and even of the evaluation process. It is specifically intended as a highly condensed summary, focusing on the actions to be taken as a result of the evaluation and providing only enough detail to provide a "credible record" of responsible management analysis.

In fact, a major portion of adapting the evaluation system to the local Mission was advising the Mission Evaluation Officer as to what information in addition to the PAR would typically be required for:

1. Presentation to the Mission Evaluation Review; and
2. Reporting to the Mission Director.

The PAR was intended as a summary document, and deliberately focuses management attention on evidence of results -- production of outputs and movement toward project purpose. There is a deliberate de-emphasis of inputs and resource consumption.

Two specific commentaries about data elements in the PAR deserve attention:

1. Several individuals resisted rating contractor performance on a scale of 1 through 7 (low through outstanding);
2. A slightly larger number of individuals, albeit less vocal, expressed dissatisfaction that the PAR did not more clearly demand objective verification (and, where possible, quantification) at purpose and goal levels.

The second of these objections is easily dealt with. The rigor of the evaluation process is, and should appropriately be, a function of Mission management requirements. Rigor in setting indicators and targets at the purpose and goal levels is encouraged in the PAR and, to a greater extent, by the Logical Framework. However, it was deemed inappropriate to demand a degree of analytical rigor in FY1971 PARs that would go well beyond the state-of-the-art as practiced currently in the Missions. However, there is nothing to preclude the Missions from insisting on much greater rigor where that is possible.

The former objection, resisting quantification of a highly subjective judgment, is a basic issue that was faced by the earlier PAR forms and is symptomatic of confusion between an objective evaluation and the attribution of blame. More practically, assigning a numerical performance rating to a contractor and of the resources at the Project Manager's disposal is a deliberate attempt to:

1. Encourage the Project Manager to accept responsibility for making modifications where appropriate and specifically for providing guidance to contractors;

2. Encourage AID management to express their judgments in a way that they can be argued with.

This latter point is of some importance. Too often we have found that Project Managers, Division Chiefs, Program Officers, and Chiefs of Party hold different opinions on whether a project is succeeding and the relative success of a contractor. The norm has been to assume agreement unless there is obvious disagreement. Resolution of disagreement too often involved making statements that were ambiguous enough to be interpreted in ways acceptable to all parties. The System concept is to reverse that norm -- to require precision that precludes misinterpretation.

It is not important whether a contractor is rated a "4" or a "5." It is important for the project team to know why the Chief of Party would rate his performance a "2," and the Program Officer would rate it a "5." Too often this sort of discrepancy is based on basic disagreement as to what we are trying to accomplish. The discussion that is encouraged, and indeed forced, by making such discrepancies visible is much to be desired.

CHAPTER IV

CONCLUSIONS AND RECOMMENDATIONS

A solid foundation has been laid, both for more effective evaluations and for improvements in the project/program design process. This section of the report presents recommendations to:

1. Consolidate the advances already made within FY 1971;
2. Build on those advances to realize their full potential for improved management and better development programs.

These recommendations are preceded by conclusions as to some common problems and opportunities presented within the USAID Missions. The analysis is based on PCI's experience in 33 USAID Missions and with 77 USAID projects and approximately 60 AID/W projects.

A. CONCLUSIONS: PROBLEMS AND OPPORTUNITIES UNCOVERED DURING THE INSTALLATION VISITS

As mentioned earlier, the Mission installations visits brought important benefit to the Missions. However, a good portion of that benefit was attributable not just to the evaluation process, but also to the basic design clarification process (and use of the Logical Framework) that must precede the evaluation.

The design clarification process requires that the Project Manager and higher management agree as to the explicit purpose a project is to achieve, and the contribution the project is expected to make to higher objectives (sector or program goals). In fact, it is difficult

to clarify project purpose without clarifying the relationship between the project and the goal. Thus, the design clarification process put pressure on those who manage sectors -- Division Chiefs and some Program Officers -- to articulate sector strategies within which Mission projects could be embraced. In a number of Missions, this pressure from the "bottom up" complemented pressure already being applied by the Mission Director, who was demanding that Division Chiefs articulate their sector strategies. Thus, the Project Evaluation System has pointed up deficiencies in programming and, more important, pointed the way toward improvement.

AID Project Managers often feel that contractors welcome freedom to develop their own plans and set their own objectives. In fact, our experience suggests that contractors would welcome AID's clarification of what they are expected to accomplish. In a number of cases, the evaluation process forced a clarification of AID expectations in a way that was consistent with what could reasonably be expected of the contractor. This improved the Mission's control of the situation, and was well received by the contractor. More important, both Mission and contractor staff felt that this clarification would, over the long term, improve the real impact those projects will have on development.

AID has defaulted its management responsibility when it fails to clearly specify what the contractor is to accomplish. This is not to imply that AID must necessarily control its contractors more closely. Rather, if AID and the contractor agree on a clear statement of why a contractor is undertaking a given effort, then AID can responsibly surrender more discretion in terms of what that contractor is expected to do. If the Agency opts to give contractors greater responsibilities, increased precision at the "purpose and goal" levels is a virtual necessity.

Comments made by contractors during the course of the evaluation reviews include:

"We should have had this four years ago when we started this project. This is what AID ought to do on every project."

"If we had used this system when our contract was first signed, we would have saved eighteen months."

"I will be able to manage my projects better now. It will be easy to assign responsibility for specific outputs to different members of my team and explain how it all fits together."

The installation visits have provided the Missions with important management tools. It is important that AID/W support Mission use of these tools to improve management effectiveness and, thereby, improve development programs.

B. RECOMMENDATIONS

The Project Evaluation System has proven itself to be a useful management tool. The following paragraphs outline PCI's recommendations for AID/W actions required to help USAID managers refine this tool and use it effectively. The foundation has been laid for an evaluation system that substantially advances the state-of-the-art. It well behooves AID/W to test and strengthen that foundation and begin to build.

PCI recommends that AID/W undertake three types of activities:

1. Consolidate the advances made to date: bring the entire AID community up to a satisfactory performance level and ensure the institutionalization of the evaluation system;
2. Extend System concepts, both to continue improving evaluation and as part of an overall management improvement effort;
3. Extend the System concepts beyond AID, enlarging the evaluation community to include host-country personnel, other donors, and multi-lateral organizations.

Some of the more obvious benefits of the recommended actions, as well as some of the risks of not taking those actions, are summarized in Table IV-1. As may be noted, an important value of continuing the evaluation system emphasis, and relating it to an overall management improvement effort, is increased flexibility in AID operations. That is, comprehensive use of the evaluation system concepts will make it easier for Missions to modify programs to accommodate changes in personnel, organization, and programming approaches.

1. Consolidation

Two tasks required for successful operation of the evaluation system, but not yet undertaken, are first steps in the consolidation process:

- (a) Define AID uses of evaluation data, the PAR, and the relationship of the evaluation system to other AID/W management processes;
- (b) Perform follow-up visits to the Missions in which the System has been installed, both to provide immediate assistance and to fully define necessary AID/W support.

Both of the above should be started as soon as possible. Continued success of a world-wide Project Evaluation System requires that AID/W

Table IV-1

The Need for Continued Support of
Evaluation System Activities:
Thumbnail Summary of Benefits
(And Risks of Not Taking Action)

ACTIVITY	NEED FOR THE TASK	
	RISK IF NO ACTION IS TAKEN	BENEFIT OF ACTION
<u>Consolidation:</u> System operates in all Missions	<ul style="list-style-type: none"> -Loss of FY1971 gains - long-term evaluation benefit will be less than cost -Loss of AID/W credibility as source of help to USAIDs -Management improvement effort discredited 	<ul style="list-style-type: none"> -Evaluation system operates and meets needs of AID/W and Mission management
<u>"Exploit" the PES Concepts:</u> build on the "consolidated" system	<ul style="list-style-type: none"> -System will cease to be relevant for Missions having low interest in TA -Loss of "momentum" in management improvement -Best evaluation officers drift into other functions 	<ul style="list-style-type: none"> -Improved programming and programs -Continued improvements in development management -AID remains in the vanguard of the evaluation community -Clearer delineation of AID-contractor relationships -Increased transfer of experience
<u>Enlarge the AID Evaluation Community:</u> Extend PES system concepts to hosts, other donors, and multi-lateral organizations	<ul style="list-style-type: none"> -Confusion as to roles and responsibilities as AID program changes -Reduced U.S. support of foreign aid -Missions not prepared for dramatic changes in AID organization and programming 	<ul style="list-style-type: none"> -Increase feasibility of using programmatic controls to coordinate foreign aid -Flexibility of operations - ability to quickly respond to changes in organization and programming

clearly define and subsequently fill an appropriate role. Barring this, the evaluation system will vary so widely among Missions that it must, over the long term, atrophy. The minimum AID/W role is to sustain Mission-useful processes. As of the moment, the primary burden for that AID/W role is borne by the Office of Program Evaluation and the Regional Evaluation Officers. Alternatives should be explored and defined to ensure the System is germane to operational, as well as staff, functions.

Follow-up visits to a sample of USAID Missions are recommended to obtain evidence regarding lasting impact of the Mission installations. The follow-up visits were recommended as part of the original project design for installation, but were not funded. It is awkward for PCI to report on this installation without evidence of impact -- certainly the evaluation community should practice what it preaches.

An important result of the follow-up Mission visits would be to define specific problems and opportunities within the USAID Missions, suggesting the help needed from the AID/W evaluation community. Subsequent consolidation efforts would be oriented to resolving problems and capitalize on opportunities identified in the follow-up visits.

Another issue that should be addressed as part of the "consolidation" effort is how Viet Nam Bureau evaluations should be related to the Agency-wide system. Certainly there are lessons to be learned from the Viet Nam experience, and informal communications suggest that System concepts are already being pilot tested in the Viet Nam Mission. PCI recommends a study of current needs and uses of the System to establish:

1. An evaluation system meeting the needs of the Viet Nam Bureau, and
2. Some basis for transfer of experience from Viet Nam.

Consolidation tasks that are time-urgent, as well as important, are summarized in Table IV-2.

The Missions have accepted the evaluation system as a valuable management tool; however, they will ask AID/W to help them sustain the operating System. The consolidation activities must provide that help.

2. Extending the System Concepts

Where installation visits have been less than successful, it has primarily been because a technical assistance, project evaluation system has been of limited relevance to the issues that are important to Mission Directors. However, Mission management has recognized the potential utility of the evaluation system for the "important" issues -- programming, detailed planning and control of projects, and capital assistance. Therefore, PCI recommends that the Agency:

- (a) Extend the Logical Framework approach to AID contracts;
- (b) Demonstrate means of scheduling and controlling projects, based on the Logical Framework or "GPOI";
- (c) Develop an evaluation approach for capital projects that is compatible with that for technical assistance;
- (d) Extend the Logical Framework's concepts to embrace large-scale programs.

These activities are responsive to the interests of Mission management, and could provide important improvements in AID operations. The time-urgent tasks to extend the System concepts are summarized in Table IV-3.

All of the above tasks can be encompassed within a pilot effort to evaluate a major capital/non-capital program in direct support of one of the USAID Missions. Such an effort would include:

Table IV-2
Time-Urgent Tasks to
Consolidate the Project Evaluation System

OUTPUTS	INPUTS
MEOs aware of each other's problems and opportunities, and make "common cause" to advance the state-of-the-art.	Evaluation Conferences for all MEOs.
Information on continuing impact of evaluation system establish realistic plans for additional assistance.	"Follow-up" visits to representative Missions
Recommendations to Mission staff for improving current system operations.	
Mission Directors are skilled users of the Evaluation System and the "Logical Framework."	Orientation sessions for Mission Directors (in AID/W)
AID/W uses PARs and Logical Frameworks appropriately (e.g., in support of both the System and AID/W's operational needs)	Recommendations for use, including draft guidelines and means of using PARs to support AID/W processes.
MEOs equipped with techniques proven useful in clarifying project design.	Techniques documented in a suitable "handbook".
Assistance rendered to USAIDs, consistent with needs and expectations.	Needs and expectations defined for each Mission; appropriate mechanisms for assistance selected.
System adapted to needs of Viet Nam Bureau.	On-site study of current practices and needs.

Table IV-3
Time-Urgent Tasks for
Extending the System Concepts

PURPOSE	OUTPUTS
Extend "Logical Framework" Approach to AID contracts.	Contracting (and selected contractor) personnel aware of concepts; recommendations made for "institutionalizing" concepts in contracts; prototype contracts written and signed.
Demonstrate means of scheduling and monitoring projects based on "GPOI"	Demonstration projects successfully being managed and reported on; recommendations for appropriate assistance; guidelines established for planning and reporting.
Design Summaries for capital projects compatible with those for TA	Recommendations for design and evaluation of capital projects.
Extend "Logical Framework" approach to programs as well as projects.	Major program designed, planned, and scheduled using these concepts. General recommendations based on experience.

- (a) Clarifying the overall (capital and non-capital) program and adapting the Logical Framework as appropriate;
- (b) Developing coordinated plans for the clarified program using planning techniques appropriate to the needs;
- (c) Ensuring the compatibility in design, monitoring, and evaluation approaches between capital and non-capital components;
- (d) Embodying Logical Framework concepts within contracts and loan papers for the program .

In terms of long-term benefit to the Agency, PCI feels that including the Logical Framework within contracting relationships is the most important single step the Agency can take to improve its operations. This clarification will not only improve current contracting operations but, if the Agency opts to surrender greater degrees of management responsibility to contractors, may point the way to contracting approaches in which even greater autonomy can be responsibly given to contractors and other intermediaries.

3. Enlarging the Evaluation Community to Include Host and Other Donor Organizations

Plans for reorganizing U.S. foreign assistance emphasize coordination of U.S. assistance with multi-lateral organizations and host governments as well as intermediary bodies, granting institutions, and PASAs. The emphasis in foreign assistance most probably will be unification by "programmatic control" -- a common understanding of objectives instead of extensive hierarchical administrative organizations. The Logical Framework, and the systematic evaluation required by the Project Evaluation System, are ideally suited to promoting such understanding. Therefore, it is strongly recommended that AID informally extend its evaluation concepts to host and other donor organizations.

Specific activities to create a larger evaluation community would include:

- (a) Joint planning, programming, and evaluation exercises using the Logical Framework;
- (b) Providing LDC government technical assistance in evaluation and related management skills;
- (c) Evaluation conferences held for key LDC officials;
- (d) Creating a development evaluation institute to serve organizations managing LDC development activities and institutionalize advances in evaluation.

The last of these activities -- creating the Evaluation Institute -- is potentially the most important, and one from which the others would naturally follow. It would be appropriate to poll the USAIDs, host governments, and other donors to assess the demand for such an institute, and simultaneously establish a small-scale (pilot) operation.