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**HORIZONTAL EXPANSION  
OF THE AID EVALUATION SYSTEM**

**PHASE I FINAL REPORT**

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## PREFACE

During 1975, Practical Concepts Incorporated (PCI), under contract to the Agency for International Development, (Contract Number: AID/CM/otr-C-73-200 WO #10), performed a study designed to determine the extendability of AID's Project Evaluation System to all classes of project assistance. The initial results of this study were presented to the Agency in a discussion draft entitled: Extension of Project Evaluation to All AID Projects. Study findings and major conclusions were presented orally to AID's Project Evaluation Committee and, in December 1975, to the Agency's Senior Operations Group (SOG).

The discussion draft prepared by PCI and discussed with AID detailed a research effort and its conclusions. The present volume, a final report on Phase I of the above noted contract, summarizes the findings and conclusions of the research effort and provides AID with PCI's recommendations as to how the expansion of the practice of project evaluation is to be facilitated through evaluation requirements, modifications to the current evaluation system (design), and system guidance materials that address evaluation implementation issues for specific classes of AID projects.

## CHAPTER ONE

### SUMMARY OF OBJECTIVES & APPROACH

#### A. STUDY OBJECTIVES

##### 1. General

The objective of this study was to develop a basis for expanding the practice of evaluation to the full range of project assistance carried on by the Agency for International Development. It was expected that the primary mechanism for expanding evaluation coverage would be the Agency's existing project level evaluation system. It was further expected that refinements to the current system might be required if the Agency was to achieve its simultaneous objectives of (a) expanding project (level) evaluation, (b) making project evaluation a more flexible tool for the AID manager, and (c) increasing the contribution of project level evaluation to the Agency's program, budget and implementation management processes.

##### 2. Specific Study Objectives

The present study was the first part of a planned two-phase effort designed to assist the Agency in expanding its project level evaluation system. This volume reports on Phase One of the study. Five specific outputs were required in Phase One:

- An inventory and analysis of AID's total project assistance system to determine the evaluation requirements, impediments and opportunities in terms of:
  - a. The kinds of policy, program, technical and implementation management decisions made by AID and host country decision makers;
  - b. The kinds of evaluative data needed for these decisions;
  - c. Methodological options which warrant, and need, further exploration and development.
- A proposed overall systems design, in preliminary form, specifying the types, methodologies, range and depth, roles, organizational arrangements, skill requirements, frequency, level of reliability, feedback and replanning, reporting and other key characteristics of the proposed system.
- A set of specific evaluation subsystem designs in preliminary form, with exposition of functional elements and characteristics for each type of project assistance; and conduct preliminary validity and practicability tests.
- Definitions and draft outlines of guideline material for the planning/design standards and methodology necessary to permit effective application of the proposed evaluation subsystems.
- Findings and recommendations on the feasibility, costs, benefits, need for field testing and other factors which should be considered in AID decisions on how to proceed with Phase II.

B. STUDY APPROACH

In its June 1975 Project Assistance Handbook, the Agency <sup>describes</sup> describes a development project as a "total discrete endeavor to create through the provision of money, personnel and/or equipment a finite result directly related to a discrete development problem." Within this definition AID subsumes its loan and grant activity for technical and capital assistance, as well as the resources made available through research grants, institutional development grants, grants to private voluntary agencies, housing investment guarantees and Food for Peace (PL480 Title II) projects.

Non-project support is defined, in this same handbook, as the provision of inputs "to increase the supply of resources" without regard to specific impact on a specific group of beneficiaries. Activities of this type include: Block grants, budget support, PL480 Title I assistance, self-help, disaster relief and other contingency measures.

The minimum requirement set on the present study was an inventory and assessment of those activities that are currently classified by AID as "project assistance." The inventory and assessment conducted in the course of this study in fact exceeded that minimum requirement.

In the context of the integrated management system proposed by the Agency's PBAR Task Force, evaluation has the specific charter for selective examination of the Agency's experience to determine what happened and why. The results of evaluative investigations are to be used to provide guidance on improved planning, activity selection and design, and program implementation.

The Agency project level evaluation system is intended to be an information system of a specific type. It is expected to provide information on the value of an activity, compare value to cost, and contribute substantively to both retrospective and prospective project assessment.

The approach taken to the present study focused on the information system functions required of the Agency's evaluation system. In a review of the classes of project assistance the study team attempted to:

- a. Identify the types of decisions made about projects during their life;
- b. Identify the data required to make these decisions;
- c. Identify, through trial application of the basic concepts of the existing evaluation system, instances where that system could be extended;
- d. Analyze project and interview data to ascertain how, and how well, the concepts and processes that make up the existing project evaluation system, are applied and where the system concepts, process and guidance required modification in order to facilitate its expansion.

Study techniques included interviews with AID/Washington personnel, interviews with staff members of U.S. private voluntary organizations, and examination of project design and evaluation practice in a variety of project assistance classes. In addition to these efforts, the project team reviewed existing documentation on the Agency's evaluation system, the results of evaluation studies performed by independent contractors, and information concerning other systems in the Agency with which the evaluation system must interface.

PCI's survey of Agency personnel included eighty-seven individuals representing the geographic and central bureaus of the Agency as well as AID officers in the Food for Peace and Housing Investment Guarantee offices. Table I-1 identifies the number of interviewees, the offices they represent, and the type of interview conducted.

TABLE I-1  
TYPES OF INTERVIEWS CONDUCTED AND BUREAU COVERAGE

BUREAU	STRUCTURED INTERVIEWS		SEMI-STRUCTURED INTERVIEWS	RELATED INFORMAL CONTACTS
	PROJECT MANAGER LEVEL	OFFICE DIRECTOR LEVEL		
A/AID			4	
AG/OAS (Auditor)		1		
OPA (Public Affairs)				1
FFP (Food for Peace)	2	1	2	
AA/SER	PBAR		1	2
	HIG	2	1	
AA/PPC		1	10	1
AA/TA	4	7	2	3
AA/PHA	4	6	4	1
AA/NESA	3	4	1	
AA/AFR	2	3		
• REDSO/WA				1
AA/EA	2	2		
AA/LA	4	2	1	
• USAID Panama	2			
TOTALS	25	28	25	9

Concurrent with the study's survey of Agency personnel, PCI "inventoried" the Agency's project portfolio. Projects identified through this review were classified by technical field and by project classes. Project "classes," for purposes of the inventory were clusters of projects that AID has identified, over time, as having important structural and/or management similarities.

Based on the review of this inventory with AID monitors for the study, a total of 24 projects representing 20 types of classes of projects were selected for examination. Table I-2 displays the project sample. To increase our confidence in the study findings on this small sample of projects, PCI collected and reviewed documentation on additional projects in each class.

TABLE I-2  
NUMBER AND TYPE OF PROJECTS REVIEWED IN THE COURSE OF THE STUDY

TYPE OF PROJECT		BUREAU	NUMBER OF PROJECTS	
CAPITAL	PURE CAP LOAN	NESA	1	
	MIXED CAP & TA (Loan)	LA	1	
	MIXED CAP & TA (Grant)	AF	1	
	SECTOR	LA	1	
TA	POP	CENTRALLY FUNDED	PHA	1
		COUNTRY PROJECT	PHA	1
	REGULAR	LA	1	
		EA	1	
		AF	1	
	NESA	1		
211D	TAB	1		
GTS	TAB	1		
RESEARCH	TAB	1		
OPG	PHA	1		
DPG	PHA	1		
PL480 (volag) Title II	FFP	1		
PL480 (gov to gov) Title II	FFP	1		
COMM IMPL	EA	1		
DISASTER	LA	1		
INV. GUAR.	"OLD STYLE"	SER/M	1	
	"NEW STYLE"	SER/M	1	
CASH GRANT	EA	1		
EXPERIMENTAL	TAB	1		
	TAB	1		

## CHAPTER TWO

### SUMMARY OF FINDINGS

The key findings of the PCI research effort are presented in summary in the following paragraphs.

1. The present project evaluation is working, though not as well as it can or should:
  - The PAR (or evaluation system) requirements have led to a substantial increase in the number of projects evaluated by the Agency;
  - Project evaluation results have in fact been used by management to redirect or terminate projects;
  - The project evaluation system's requirements for clear project design, together with the system's Logical Framework Approach to design, have led to a general improvement in the quality of Agency project designs where the system is in use.
  
2. At a conceptual level the present project evaluation system was found to be applicable for all classes of project assistance:
  - It is a central premise of the AID project evaluation system that project evaluations can be carried out for any and all projects for which a project Logical Framework can be developed;

- Acceptable, though not necessarily exemplary, project Logical Frameworks were developed, either prior to or during the PCI study, for all twenty-four projects selected, with AID, to represent the full range of classes of project assistance.
- That is, for each sample project the following design elements, on which evaluation depends, were identified:
  - (1) The project's linked and hierarchical objectives;
  - (2) Critical assumptions associated with each of the project's linked hypotheses;
  - (3) Performance indicators, and to the degree time allowed, performance targets for each of the project objectives;
  - (4) Means of securing evidence, or verifying that actual project performance.

While PCI found the design concepts to be extendable to the full range of project assistance, it should be noted that there is no evidence to suggest that extension of the system will be fully successful unless the problems found in present application of the system--and identified in the following series of findings--are addressed and resolved.

3. At present, the practice of project evaluation in the Agency does not live up to the expectations set for the project evaluation system:

- There is more attention to system products, and less attention to system processes, than was intended.

- In general the system's approaches are being used to assess project effects but not to analyze the causes of those effects. That is, evaluation is being carried out against the horizontal dimension of project Logical Frameworks--the assessment of actual versus planned performance--but little attention is paid to the project's vertical logic--the testing of project hypotheses and/or a search for unplanned causes, unplanned effects, or to the isolation of transferable lessons for new project design.
4. There are a number of impediments to quality project level evaluation, including:
- Motivational impediments relating to:
    - The lack of a parallel, or at least complementary design and evaluation structure at the program level that demands quality project plans and evaluations, and the resultant perception that quality plans and evaluations are not valued by higher level Agency management;
    - The lack of reward for good evaluation, and some "negative incentives" to developing evaluations that question, or threaten, existing activities and preconceptions. There is also, in some cases, a perceived inability to take constructive action when evaluation indicates that projects or project elements are unsuccessful:

"...most agricultural projects require a credit component. Even if credit evaluations are dismal there are no alternatives..."

● Skill impediments:

- Some individuals who are expected to use the project evaluation system are not trained in the system concepts; of those who are trained many are not good practitioners;
- Even among those who are well trained there is a lack of depth of training in the system's underlying research design concepts and in the field of measurement and data collection/analysis that supports the conduct of valid and reliable evaluations.

● Conceptual and Information impediments:

- There is an inadequate theoretical basis for designing projects to address many of the development problems and there is inadequate baseline and past project data for developing quality project designs where adequate theory does exist.
- While some types of evaluative information are available in the agency, it is not adequately organized or readily available for use in designing future projects.
- There are a few types of AID projects for which adequate performance measures have not been developed and tested, e.g., institutional viability and capacity.

- There is an ambivalence within AID concerning how political objectives are to be treated that cannot be resolved by simply demonstrating that the project evaluation system is neutral and can assess performance against political objectives as readily as it can address developmental objectives.
- Existing written guidance on project design and evaluation is general in nature, focused primarily on project design, and is not in fact adequate to "guide" potential users through the design or evaluation steps in enough detail to serve as a model for the uninitiated.
- Inadequate methodology exists for assessing the causal linkages in projects--for in fact determining whether the planned causes in AID projects are the source of the effects on which project evaluations now report.

In addition to these general impediments to full utilization of the project evaluation system, PCI found two other impediments to use of the system that stem from the nature of AID's procedures for developing and executing the originating and action documents for projects:

- A perceived inability to conduct evaluations and act on evaluations for loan funded projects.

This perception stemmed from the legal restriction on AID action after a loan agreement had been signed with a host country. In good part these perceptions are justified where the originating documentation has left no options for evaluation/replanning open. PCI's study found, however, that this problem has been resolved in some of AID's newer loan funded

projects by a process of building the evaluation and replanning elements into the loan agreement. While this modified approach to originating documents will not resolve the evaluation dilemma of a major structure located in the "wrong" place, it will open opportunities in many loan projects to deal with new information that emerges after the loan is signed.

- A perceived inability to ensure that quality project plans and evaluations were part of the procedures employed by AID implementing agents, particularly under grant-funded projects.

The general form of this concern is that AID cannot impose upon unwilling grantees the Agency project evaluation system. To the degree that AID is determined to support such unwilling grantees this concern is valid. However, there is no requirement that PCI could discern for AID to support grantees that are unwilling to use the AID, or an equally rigorous, evaluation system. The project evaluation system is a form of discipline AID imposes on the projects it supports both to ensure that they are good projects, and to prepare itself to present Agency efforts and their results to the U.S. Congress. The Congressional Mandate for evaluation is sufficiently strong as to suggest that AID might well deal only with those grantees that will employ AID's design, implementation, and evaluation approaches.

In this same vein the study found:

- A perceived inability to ensure that quality plans and evaluations were prepared for projects in which AID funded only a small portion of the project, e.g., multi-donor projects.

5. In its present form, the Project Appraisal Report (PAR) has little value other than as a focal point for the project evaluation review:

- The PAR is not being used as a quality check on the evaluation process, nor does it appear to fulfill that function well.
- The PAR is expected by some to serve as an in-depth evaluation report--a role which it was not designed to play. As an in-depth evaluation report, the PAR is inadequate.

As a result of its examination of the extendability of the AID project evaluation system, and the adequacy of that system for meeting the Agency, and its host country partner's needs, for evaluative data, PCI reached the following conclusions concerning the design and implementation of an overall project evaluation system and attendant subsystem designs.

- (1) The current practice of evaluation, while not fully meeting AID's needs for evaluative information, is providing managers at the project level with information that is of value to them;
- (2) Improvement in the handling and organization of even AID's existing volume of evaluation can be made and will increase the probability that new projects will avoid problems identified in past project efforts.
- (3) The Agency's additional needs for evaluative information could be met either by:

- (a) Altering the character of the present project evaluation practices--strengthening the regular project evaluation process and bringing it to the level where causality could be and would be assessed through efforts mounted by project teams; and where in-depth evaluation could be carried out by USAID staff.
- (b) Adding a second layer, or tier, to the present evaluation system, to be specifically concerned with the conduct of in-depth evaluation analyses--the assessment of causality, impact, project strategies, unplanned causes, etc.

Recognizing two alternative approaches for adding these dimensions to the Agency's evaluation practice, and recognizing also the additional skills required to carry out the in-depth evaluations, PCI further concluded that the Agency could better, and more efficiently add these dimensions by the second alternative: A supplementary centralized evaluation capability and responsibility.

- 4. The impediments to the development of quality evaluation in all classes of AID projects can be overcome, and are not sufficient reason to defer the process of extending project evaluation to new classes of projects.
- 5. Many of the impediments to quality evaluation are within AID's control to remove, particularly:
  - The lack of a rigorous program level design and evaluation process;
  - Skill impediments (as identified earlier);

- Problems related to inadequate guidance materials;
- Informational impediments associated with the absence of information of past projects and the lack of baseline data in projects;
- Resolution concerning the treatment of political objectives within the project design and evaluation process;
- Impediments created by the Agency procedures for developing and executing the originating and action documents for projects;
- Inadequate means to assess the quality of evaluation system processes.

This list identifies the impediments that are both within AID's control and addressed easily. None of the impediments identified are beyond AID's influence, nor should any be neglected over the long run.

6. The Agency project level evaluation system is basically appropriate for the types of projects funded by AID. While several modifications are clearly suggested, and some additional guidance is needed to support the expansion of the system into additional project classes, the Agency has improved its project management process in part as a function of the existence of the system. With further efforts, further improvement should be expected.

## CHAPTER THREE

### THE PRESENT PROJECT EVALUATION SYSTEM AND PROPOSED MODIFICATIONS

#### A. OVERVIEW OF THE PRESENT AID PROJECT EVALUATION SYSTEM

The project level evaluation system in AID is performance oriented. The system defines a project as a set of activities aimed at a central objective. The system further assumes that each project is in fact a coherent part of a larger Agency program, a collection of projects directed toward the achievement of some higher level objective *(or program)*.

The evaluation system for projects was designed to provide performance assessments at the level of the project, normally the USAID Mission, in terms of the project's progress toward the achievement of its identified purpose. The nature of the assessment made in the project evaluation system is a determination of the extent to which a project is successfully producing the results intended from the activities that constitute the project. The system, as it is designed, relies heavily on the existence of a clear and coherent project design, and includes among the system tools a process and a documentation approach for synthesizing the hierarchical and linked objectives of the project. As part of the design process the system requires that project objectives not only be identified, but that the targets and indicators of performance against objectives be prespecified. The system defines the completion of project to be coincident with the achievement

of purpose as demonstrated by achievement of each of the targeted, purpose-level, indicators.

Evaluation in this context is viewed to be a cooperative, participatory review, at various points in the project life, of project performance against the targets prespecified in the project design. The evaluation process, or the review, is the heart of the evaluation component of this system. Indeed the system is focused on this participatory review rather than on the production of lengthy written analyses. The written product produced in association with this system is not an evaluation document per se. That is, the written project appraisal report (the PAR) does not and was not intended to provide the evaluation analysis. The PAR was designed to be a document which certified that the evaluation process had occurred. As such, it was intended more as an audit tool than an evaluation instrument. However, to ensure that the audit function intended for the PAR was fulfilled the instrument was designed to be easier to produce if in fact the evaluation process at the project level had occurred than if it had not occurred. That is, the system design intended that there be a high cost associated with efforts to complete PARs in the absence of a project evaluation review in the Mission or in other project locations.

This evaluation system was not intended to absolve the Agency of the responsibility to undertake full-scale, analytical evaluations and produce written in-depth performance analyses. Rather the system recognizes that in-depth evaluations are not necessary in every project, nor can the Agency afford to undertake such analyses periodically for each of its projects. Hence, the project evaluation process was intended to provide a careful systematic review of progress that would assist project and program managers in determining

whether (1) the project performance was acceptable, (2) corrective action was required, (3) long-term impact was in doubt, and/or (4) factors related to but not necessarily internal to the project indicated that a full-scale, possibly independent evaluation was required.

The present AID project evaluation system was designed to be a management tool. The system accepts the decentralization of AID management functions as a reality and attempts to support project management and project design in that context. Its output formats are minimal: a design statement called the Logical Framework and a certification of an evaluation process called a PAR. In both the design and the evaluation aspects of the system the process rather than the products were intended to be central. This minimal system was designed not to provide a wealth of evaluative data and information for AID/W or a general audience but rather to focus sharply upon the immediate problems faced by project managers and to assist them in their efforts to make better decisions and better manage the Agency's projects. The logic of this approach suggests there are a number of things that the AID project level evaluation system does not do: It does not provide a written record on the analytical process of project design; it does not provide an analytical record of the process, the data, or the full set of conclusions of a project evaluation; it does not provide data specifically targeted on program level decisions; it does not provide data and information specifically targeted for the future project designer who is concerned with the transferability of past experience.

## B. SUMMARY OF THE KEY MODIFICATIONS TO THE EXISTING EVALUATION SYSTEM

The proposed evaluation system design modifies the existing AID system for project level evaluation in the following manner:

- ° It splits the evaluation workload by establishing a second, centralized tier of the evaluation system. The system thus has two levels: A Performance Tier, similar to the current Mission evaluation process, and an Impact Tier. Both levels of the evaluation system are further described below.
- ° It revises the quality check dimension of existing project evaluation procedures, as discussed in (3) below.

### 1. Performance Tier Evaluations

The Performance Tier of the evaluation system retains, and extends to additional classes of projects, the type of project performance evaluations, conducted during the life of a project, the project management has found to be useful and feasible.

Within this performance tier two evaluation regimes have been defined:

- ° A regular, or episodic, evaluation regime that is used for project assessment during all but the last project evaluation conducted during the life of the project.\* This evaluation regime is designed to ensure that actual performance has been reviewed in the light of project plans, and that appropriate modifications to the project are made when the evaluation process indicates that changes are needed.
- ° A "pre-termination," "turn-over," or "momentum" evaluation regime, that differs from prior project performance evaluations in that it:

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\* A variant of this second regime is used when projects are considered for extension, etc.

- Addresses a series of questions concerning whether project purpose will be achieved, and what is required if a continuing stream of benefits--the continued operation of the project by the host, the utilization of the results of research, etc.--are to be realized following project termination;
- Addresses the question, before the project is terminated, of when, how and whether it should be terminated, i.e., are all the outputs in place, and adequate to achieve purpose and goal impact as intended, or is there something more AID ought to do to realize the benefits of its investment;
- Addresses a series of questions concerning the transferability of the project design that can be employed in AID's long term process of improving project planning.

Within the Performance Tier, the requirement for annual evaluation is removed for projects where:

- o Episodic evaluation, based on the specific implementation plan for the project, will provide adequate and timely information for project management decision making, and where.
- o Plans for episodic rather than annual evaluation are defined, explained and approved through the AID project design submission and approval process. Specifically, where such plans for episodic evaluation are incorporated in approved project evaluation plans and in CPI networks.

Evaluation reporting requirements for Performance Tier evaluations continue to be by-products of an evaluation process in the modified system, thus retaining the original system's bias that: It is by the evaluation process, rather than through lengthy reporting, that the Agency's projects and programs will be improved. Evaluation products, or reports, are continued as a requirement insofar as they are designed and used to facilitate the transfer of design and evaluation lessons that support the long-term process of project improvement within the Agency.

## 2. Impact Tier Evaluation

The Impact Tier of the evaluation system is defined as a centralized stream of evaluation that identifies and conducts in-depth project evaluations. Two basic types of evaluation have been identified within this tier:

- ° Assessment of Project Impact:  
Evaluations that have as their primary focus the assessment of the project's developmental impact and significance. These evaluations can be carried out either during the project life or ex-post facto depending on when evidence concerning project impact will be of greatest value to the Agency.
- ° Assessment of Project Approach  
Evaluations that are designed to assess the effectiveness, relative cost, and transferability of a project's methodology. These evaluations can be carried out either during the project's life, through the incorporation of a research element (control groups, etc.) in the project design, or ex-post facto. Such evaluations will be conducted when information on project strategies and methodologies can provide useful information for AID planners and policy makers.

It is not expected, or intended, that in-depth evaluation will be undertaken for every AID project. Identification of where Impact Tier

evaluation resources are to be directed will be one of the central tasks of the centralized managers of this evaluation tier.

Reporting on Impact Tier evaluations is expected in the modified system. In this tier, the evaluation report is expected to be a basis for planning of new, or continued, activity in AID, and within the developing countries. Because of this potential for wide use, the modified system requires that these evaluation reports address a set of standard evaluation reporting issues, e.g., the methodology used in the evaluation, and the evaluation findings, conclusions, and recommendations, each of which are to be separately discussed.

### 3. Quality Checks of Evaluation in Both Tiers

The modified evaluation system design addresses the issue of quality in two ways:

- ° By lowering the system's expectation that a project report will provide adequate information on the evaluation process by which that report was generated.
- ° Explicitly assigning to the newly established centralized stream of project evaluation, and its Bureau and PPC managers, a requirement to assess the quality of the evaluation system's processes, partly in conjunction with the conduct of its special evaluations, in the Missions and AID central offices, as well as in those implementing agent organizations that take the project evaluation function within their management and control.

Guidance materials for this two tiered system, and project design standards that must be applied if such evaluation is to be carried out, are discussed in the following chapter.

## CHAPTER FOUR

### OVERALL SYSTEM CONCEPTS AND REQUIREMENTS

It is proper for a "system" to specify what is to be done, when it is to be done, and the criteria for acceptance of system outputs. At the same time, it is inevitable that the individuals and organizations that respond to a "system's" requirements will have the basic responsibility and a good deal of autonomy, regarding how the system requirements will be met, and who, within the organization, will be responsible for meeting these requirements.

In specifying the elements of the overall project evaluation system for AID it is important to differentiate between the system's requirements and that which is system guidance. In this chapter and the following chapter these two dimensions of the overall system are discussed. This chapter deals with system requirements and the basic system concepts; the following chapter discusses system guidance, and advisory material concerning the approaches that might be taken for various classes of AID projects.

The overall AID project evaluation system has two basic elements:

- A project evaluation process, the by-product of which is an evaluation report;
- A project design process, the key elements of which are (1) a design summary, the 4 x 4 Logical Framework matrix, and (2) an evaluation plan.

The system further sets standards for acceptance of these processes and products, and monitors adherence to these standards through a set of "quality check" procedures. Beyond these basic specifications, the overall system provides, in a subsequent chapter, guidance concerning compliance with the system's requirements. This guidance takes into account the differences in project classes, and the manner in which various types of projects can best respond to the total system.

The requirements set by the overall project evaluation system design are intended as requirements for all classes of project assistance supported by AID. There are no project evaluation requirements that are unique to project classes. On the other hand, the approaches, the organizational arrangements, and specific evaluation methods will differ by project class. These differences, on which guidance but not requirements are provided, are differences in procedures for meeting system requirements rather than differences in the requirements, per se.

#### A. Elements of the Overall Project Evaluation System

The mandate for project level evaluation within the Agency calls for a system that provides a "...selective examination of our experience to determine what happened and why, and the results of which provide guidance for improving planning, activity selection and design, and program implementation."\* To fulfill this mandate, at a cost (in terms of time and skills) that is reasonable for the Agency to bear, the evaluation system is divided into two tiers. These two tiers split the workload between regular, decentralized, project performance evaluations, and in-depth studies of project strategy and impact. The division of the project evaluation system into these two tiers

addresses the Agency's need for, and constraints on, manpower with specialized evaluation skills, as distinct from its need to acquaint its decentralized staff with basic design and evaluation concepts that prepare them to conduct regular project performance evaluations. The two tiers are:

- Tier 1: Performance Evaluation

A decentralized evaluation stream that has as its primary focus the evaluation of project effectiveness, or "what happened" in a project.

- Tier 2: Impact and Strategy Assessment

A centralized evaluation stream that has as its primary focus the in-depth evaluation of project impact and significance, and the relative value of alternative project strategies;

The two tiers of the system are not mutually exclusive in that when impact assessments are made performance data must be reviewed, or when performance evaluations are conducted they will normally provide insight, but not full understanding, of project impact. The differences between the two tiers relate to who performs the evaluation, at what depth and with what rigor, the degree of intensity applied in the analysis of causality, etc. *(not the same as internal/external)*

The decentralized evaluation stream closely resembles the current practice of Mission project evaluation, with its assessment of actual versus planned performance in projects. The centralized evaluation stream is established in recognition that there are Bureau and Agency requirements for evaluative data that are not met through the type of performance evaluations that the Missions, and the central AID project offices, find useful and feasible.

Procedures and requirements for "quality checks" on the project evaluation system's processes and products are also considered within the framework of the overall system.

### 1. System Requirements for Evaluation

The overall project evaluation system requirements for the decentralized, performance evaluation tier and for the centralized, impact and strategy assessment tier are summarized in Tables 4-1 and 4-2. These tables outline system requirements for two types of evaluations within each tier. These sub-types of evaluation are:

- Tier 1: Performance Evaluations

Regular assessments during the life of the project, and a final "pre-termination" or "turn-over" evaluation are considered to be two project evaluation sub-types within this tier.

- Tier 2: Impact and Strategy Assessments

Regular assessments during the life of the project, and a final "pre-termination" or "turn-over" evaluation are considered to be two project evaluation sub-types within this tier.

Evaluation frequency for the regular performance assessments within the decentralized tier (Tier 1) is flexible, within the constraint that in the project's evaluation plan (developed as part of the project approval submission) the proposed timing of regular performance evaluations is demonstrated to be consistent with project management's need for evaluative information. Review of the timeliness of evaluation must be coordinated with review of the total project and its CPI network.

The frequency of evaluation within the centralized tier must initially be set on an experimental basis. In setting an initial minimum number of impact and strategy assessments, both Agency staffing and the ability of AID to absorb and utilize the results of these evaluations must be considered. That is, were there an unlimited pool of evaluation specialists that could be called upon to perform such evaluations,

**TABLE 4-1: PROJECT EVALUATION  
DECENTRALIZED PERFORMANCE TIER**

TYPE OF EVALUATION	PERFORMED BY	FREQUENCY	PURPOSE & DEPTH OF ANALYSIS	PROCESS/REPORTING REQUIREMENTS
• <u>Regular</u> project performance assessments.	Decentralized Mission or central AID project office.	a. Episodic during life of project for all projects with approved episodic evaluation plans and CPI networks; b. Annual for all projects not meeting the two conditions.	Support project management decision making/implementation processes. Identification of projects that require more in-depth evaluation. Minimum analysis requirements include analysis of actual versus planned progress, to date, at all project levels (G, P, O, I) and examination of the continuing validity of project assumptions, identification of major changes in the project environment and revalidation of the continued value and priority of the project.	Collaborative process involving all parties to the project in the evaluation (host, contractors, PASAs, etc.). Evaluation review based on standard performance evaluation agenda. Evaluation report (modified PAR) required.
• <u>Formal*</u> project "turnover" "pre-termination" evaluation.	Decentralized Mission or central AID project office.	Normally once during the project life** at a point in the project life where the majority of project action is completed, but before the project team begins to leave, i.e., 95% complete.	Final examination of project progress, per above. Identification of projects for which followup or other ex-post facto assessment is desirable. Supplementary assessments of (1) what is required to ensure the project's "stream of benefits" will be sustained, (e.g., through operational host project, through use of research, institutional capacity, etc.) and (2) "the lessons learned" that can affect future project design and implementation.	Normally but not necessarily collaborative as above. Special "turnover" evaluation review agenda. "Turnover" and "lesson" reports substitute for (subsume) evaluation report (modified PAR) requirement.

• Variants of the formal project evaluation are undertaken for all projects by the end of each three-year period; e.g., all grants at their end, and loans and for projects that are being considered for extension or early termination. These variants are further discussed in Section V, which deals in more detail with the report formats, and process requirements for formal project evaluations.

\*\* The exception here is where a project, as a result of the "turnover" evaluation, is extended for more than 12 months and an update of the "turnover" assessment is required.

**TABLE 4-2: PROJECT EVALUATION  
CENTRALIZED IMPACT TIER**

TYPE OF EVALUATION	PERFORMED BY	FREQUENCY	PURPOSE & DEPTH OF ANALYSIS	PROCESS/REPORTING REQUIREMENTS
<p>• <b>Impact (ends) evaluations of project significance and analysis of causality in project.</b></p>	<p>Centralized: Regional or Central Bureau.</p>	<p>Specified by Bureau not by project. Response to Mission or Central AID office request, or based on Bureau determination of need for the evaluation. Can be undertaken during the project life or after its termination.</p>	<p>Generally, targeted on program or Bureau decision making process. Validates (and thereby audits) prior performance evaluations of the project. Analyzes effects created by project--planned and unplanned, and tests causality--planned and unplanned, in producing these effects, considers particularly purpose to goal linkages and the project impact on program goals.</p>	<p>Collaborative when carried out during life of project. Evaluation review at level affected by evaluation findings (can be both the project and program levels). Detailed report using outline evaluation report format, and "evaluation action" facesheet resulting from evaluation review.</p>
<p>• <b>Strategy (means or modalities) evaluations for classes of projects.</b></p>	<p>Centralized: PPC and Bureau.</p>	<p>Specified by Bureau and by project class, not by project. Normally initiated by Bureau or PPC, may be during project life or after its termination.</p>	<p>Normally targeted on strategic and policy decision making process. Includes, for the project class or mode assessed, through the project the analysis, as in 3. above.</p>	<p>Generally parallel to 3.</p>

it would still be necessary to recognize that information flows in the Agency, e.g. between regional bureaus, or between a regional and a technical bureau, are such that AID's capacity to absorb information, and to reprogram based upon that information, is less than optimal. Thus the preliminary requirements for evaluation frequency within the centralized evaluation tier are set at a modest level. The centralized evaluation staff, in the regional and technical bureaus and in PPC, must monitor the centralized evaluation tier's operations using these trial minimum frequencies, and determine, after an experimental period, whether to raise or lower these levels. A tentative "experimental minimum frequency" for centralized evaluations is outlined in Table 4-3 for Agency review.

The AID project evaluation system intends that evaluation be a process that focuses on replanning projects and programs. Evaluation "products", or reports, are intended to be by-products of this process -- not the driving force. The system's requirement for an evaluative process applies in both tiers, though the character of the process varies slightly for each of the specific evaluation sub-types within the tiers. The process intended in all cases is an interactive one in which all parties affected by the evaluation, and concerned with further planning for the project or the host or AID program that subsumes the project, participate.

Evaluation reports are required by the AID project evaluation system. Past Agency experience indicates that while the PAR (Project Appraisal Report) in its current form is not generally useful, the existence of the requirement was necessary to effect installation of the original system. Further, new Agency requirements for "transferring" past project experience into the design process for new projects creates a need for systematic retention of evaluative data on projects. PCI's recommendation that the system retain evaluation reporting as a requirement is based on these two factors.

**TABLE 4-3: FREQUENCY OF EVALUATION IN THE CENTRALIZED IMPACT TIER\***

TYPE	PERFORMED BY	FREQUENCY
Impact Evaluation	Regional Bureaus / Major Offices TAB/Research TAB/211d TAB/GTS Field Support PHA/POP PHA/PVC Food for Peace (FFP) SER/H: Housing Invest. Guar.	2 per Bureau per year (different countries). 1 per year 1 per year 1 per year 1 per year 1 OPG per year (with Mission) 1 DPG per 2 years 1 of each major type per year, e.g., VolAg, government to government, etc. 1 per year
Strategy Evaluations	PPC and responsible Bureau	For example: ° 1 loan and 1 grant per year, plus ° 1 sector loan per year, plus ° 1 VolAg project per year, plus ° 1 each for each of the major budget categories, e.g., food and nutrition, selected to assess optimum approaches to the basic problems, plus ° 1 direct transfer, e.g., commodity loan, cash grant, etc. per year

\* Final mix here requires additional discussion with AID, and normally would be reconsidered over time as AID's approaches change.

## 2. Requirements for Design

The Agency specifies, in its Handbook #3: Project Assistance a series of project design requirements. Two of these requirements are closely related to the Agency evaluation system: the design matrix and the project evaluation plan. While not eliminating any of the requirements identified in that document, this section focuses on a clarification of existing requirements for project design in so far as such clarification of requirements facilitates the conduct of project evaluations.

The Agency currently requires a Logical Framework matrix for all projects, as well as a narrative statement of the project's design in Logical Framework terminology. While the requirement for a narrative of the Logical Framework allows individuals to further express themselves concerning the projects basic elements, this narrative is highly redundant with the matrix, and only the matrix was originally envisioned as a pre-requisite for project evaluation. The Logical Framework, in its matrix format, was explicitly designed to show the interdependancies of the project design in summary form. While Agency personnel in some bureaus do use the Logical Framework to summarize project design and as a basis for determining the nature of the evaluation task, personnel in other bureaus either do not currently use the Logical Framework, or use a modification of the framework -- such as the 3 x 3 matrix employed in the Technical Assistance Bureau for its budget presentation.

The need to identify all aspects of the project logic for use in the conduct of project evaluations has led PCI to conclude that the project evaluation system's original requirement for a full 4 X 4 matrix should be maintained, and applied throughout all classes of project assistance. In general, it was found that where the

4 X 4 was used it provided a reasonably full framework for defining project evaluation, and where it was not used, or was used in a modified form, there were difficulties either in the structure of the Bureau program into which the project was supposed to fit, or there were difficulties associated with the number of logical linkages, or hypotheses, that existed between a project purpose and goal. That is, where the modified version of the Logical Framework was used--generally in AID's central bureaus--the logical "leap" from purpose to goal was found to be excessive; intermediate hypotheses were not made explicit and testable. Guidance on developing 4 X 4 Logical Frameworks for all project classes is further discussed in the following chapter.

The second element of the project design that pertains to evaluation is the project specific evaluation plan, as required by Handbook #3, Appendix 3 H. In some areas this guidance repeats the requirements incorporated in the instructions concerning the development of Logical Frameworks. It does not however appear to provide sufficient guidance on the definition of interim measures of project performance. An adequate evaluation plan must identify both interim and technical performance targets for the indicators of achievement defined for each level of the projects Logical Framework

Additional definition of a complete project evaluation plan is needed. The form of this further specification should include a clarification of how much progress is expected on each performance indicator at the various times when evaluations will be concluded. Figure 4-1 provides a preliminary draft of the type of information that is recommended for inclusion in a project evaluation plan (to comply with Section 2: "Targets," page 3H-1 of the Project Assistance Handbook). This format for disaggregating performance targets at specific evaluation points merges with the PPT system's requirements, and provides the "planned" column against which "actual" performance is assessed in each regular project performance evaluation.

DISAGGREGATED PERFORMANCE PLAN (OVIs and Assumptions)

	BASELINE	AS OF REGULAR PERFORMANCE EVALUATION <sub>1</sub>	AS OF REGULAR PERFORMANCE EVALUATION <sub>2</sub>	AS OF REGULAR PERFORMANCE EVALUATION <sub>3</sub>	AS OF REGULAR PERFORMANCE EVALUATION <sub>4...</sub>	AS OF "TURNOVER" EVALUATION (EPS, etc.)
GOAL: _____						
INDICATORS: 1. _____ 2. _____ 3. _____ n. _____						
Key goal level assumptions during this evaluation period:	a. b. n.	a. b. n.	a. b. n.	a. b. n.	a. b. n.	a. b. n.
PURPOSE: _____						
INDICATORS: 1. _____ 2. _____ 3. _____ n. _____						
Key purpose level assumptions during this evaluation period:	a. b. n.	a. b. n.	a. b. n.	a. b. n.	a. b. n.	a. b. n.
OUTPUTS: 1, ..., n						
INDICATORS: 1. _____ 2. _____ 3. _____ n. _____						
Key output level assumptions during this evaluation period:	a. b. n.	a. b. n.	a. b. n.	a. b. n.	a. b. n.	a. b. n.
INPUTS: 1, ..., n						
INDICATORS: 1. _____ 2. _____ 3. _____ n. _____						
Key input level assumptions during this evaluation period:	a. b. n.	a. b. n.	a. b. n.	a. b. n.	a. b. n.	a. b. n.

SAMPLE ONLY -- NOT ACTUAL SIZE OF A DISAGGREGATED PERFORMANCE PLAN

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Figure 4-1

### 3. System Requirements for Evaluation "Quality Checks"

The "quality check" component of the system is designed to ensure that the system is in use, and is useful to local (project, Mission, and host) management. The specific function of the evaluation quality check is to determine that the evaluation data provided by the system is valid, reliable, useful, and used. Evaluation is a key management function, and utility is the central quality factor. Useful information is the interface between the evaluation system and AID management's decision making functions.

The proposed form of evaluation quality check is actual on-site review of the validity, reliability and utility of the data developed by past evaluations. As is the practice for most review functions, these quality checks will not be conducted for all evaluations, but rather for a sample. The sample, to the degree possible, and to the degree that such a sample is without consistent bias, will consist of those project evaluations reviewed in the course of conducting in-depth (Tier 2) evaluations.

To the degree that the volume of the sample projects selected for quality review by the above noted method is not well distributed among types of projects and Bureaus, the system will need to require that an additional number of project evaluations be reviewed. That is a random sample--within stratified cells that represent the Agency bureaus and classes of projects--be selected for quality review.

Key elements of the quality check process will be the review of past regular project performance evaluations to determine:

- Whether evaluation was performed and written records are generated?
- Whether these written records include identification of:
  - a. raw data and methods by which data were obtained for each "level";

- b. for each indicator and assumption;
  - c. methods of analysis;
  - d. conclusions;
  - e. alternatives considered;
  - f. recommendations;
  - g. action and follow-up on (f)
- Whether host action agents were involved?
  - Whether staff were encouraged to be candid?, etc.

## B. Acceptability of System Process and Products (Quality Standards)

The criteria for acceptance of a system's products and process forms the basis for carrying out quality check, or system supervision requirements. In prior sections the frequency of evaluation system quality checks and the responsibility of various offices for conducting these quality checks were identified. In this section the standards that are to be employed in making those quality checks are outlined. Process standards and product standards are discussed separately.

### 1. Evaluation Process Standards

The AID project evaluation process intends that parties involved in the management of a project, and parties whose programs are affected by project success utilize evaluation as a method of developing and applying evidence to their project and program management decisions. The quality standards for this process focus on four elements of evaluation:

- Type and quality of participation of interested/ affected parties;
- Validity and reliability of procedures for collecting evidence;
- Methods of arriving at, and actionable nature of recommendations/decisions resulting from evaluation;
- Type and quality of follow-up on evaluation recommendations/decisions.

For each of these elements, a set of specific expectations, or standards, are defined that form the basis for review of the system's evaluation processes.

(a) Type and Quality of Participation

The basic quality check on participation in the evaluation process would be made through a review of who participated in the process, and to what extent these individuals participated. The minimum adequate set of participants to the evaluation process are:

- Representation of all parties involved in supporting the project, i.e., all contributing parties, from a financial or in kind standpoint;
- Representation of all parties involved in managing the project, i.e., all parties with direct production, supervision or other responsibilities for project deliverables.

A basic form of the check on the participation of these parties in the evaluation process will be through signature, by the participating parties, on the report emanating from the evaluation.

Where more detailed quality checks are to be made on a specific evaluation, or where there are questions concerning the evaluation process, these signatures will provide the evaluators with an immediate set of references concerning the evaluation process.

(b) Data Collection Validity and Reliability

The quality of the evidence presented to the evaluation review is the second area where quality checks on the project evaluation system are required. In the course of regular evaluations, and in the reports that are their by-product, as well as in the project's initial evaluation plan, the methods of data collection are to be identified. The basic quality check will be performed during the review of the project's evaluation plan. At this time the methods of data collection, and the type of data to be collected are to be assessed. In the evaluation reports, developed after project evaluations, methodology and data collection will be discussed only insofar as they diverge from the data collection approaches outlined in the project's evaluation plan.

When more detailed reviews of the evaluation process are conducted, i.e., quality checks in conjunction with impact and strategy evaluations conducted for projects, the data collection procedures used in regular project evaluations will be reviewed by the team conducting the impact or strategy (Tier 1) evaluation. The form of this rigorous quality check on data validity and reliability will for the most part be a revalidation of prior data by the Tier 1 evaluation team. However, specific projects may require that a

different approach, tailored to the situation, be employed in undertaking a quality check on this aspect of the evaluation process.

(c) Quality Checks on the Evaluation Review

The evaluation review is maintained in the modified project evaluation system as the forum in which decisions are made, and actionable recommendations for project and/or program management are formulated. The current procedure of identifying actions to be taken as a result of the evaluation in the evaluation report is maintained in the modified system. The recording of both the basic project performance data and actions based on the evaluation will continue to provide the basis for a central, e.g., AID/W review and quality check on this aspect of the evaluation process. It is expected that central Bureau and PPC evaluation officers will begin to attend evaluation reviews for regular project performance evaluations, both in the field and in AID/W. The role of these centralized evaluation officers in the project evaluation reviews will be limited to observation during the review. In making these observational visits, Bureau and PPC evaluation officers will be expected to summarize their observations in terms of:

- The extensiveness (number of parties) and intensiveness of the dialogue concerning the project;
- The degree to which evidence rather than unsubstantiated advocacy is the basis for decision making;
- The quality of the analysis of cause when actual project performance deviates from project plans, etc.

(d) Monitoring Evaluation Follow-Up

Where actions are identified as part of an evaluation review, and where these actions are summarized in the evaluation report, it

is expected that the Bureau evaluation officers will monitor sample projects to determine the degree to which these actions are carried out, e.g., modifications made to PP, change in project contractors, etc. While it is not expected that every project evaluation will be so monitored, it is expected that every project for which a strategy or impact evaluation is conducted a review will be made of follow-up on past evaluation action recommendations.

## 2. Evaluation Product Standards

The products of the evaluation system are, written summaries of the key elements of the evaluation. Formats for these written summaries are discussed further in this section. In addition to these written summaries, it is expected that the full evaluation file, including raw data and information on how it was developed, will be maintained by the project manager.

### (a) Tier 1: Performance Evaluation Reports

The two types of evaluations in the decentralized, Mission-managed evaluation tier will use the same basic reporting format. The final Tier 2 evaluation for a project, the "pre-termination" or "turn-over" evaluation report format will differ from the regular report format in that it will call for discussion in a few supplementary areas, not covered during the regular episodic evaluations.

Draft forms to be used for reporting Tier 1 evaluations have been fully designed during this phase of the PCI work.

(1) Regular Performance Evaluations

The report for regular project evaluations, a Project Performance Report (PPR), will be a summarization of the findings of regular evaluation for all classes of AID projects. The proposed report will have two elements: (a) A facesheet summary of findings, actions and evaluation participation and (b) a review of planned versus actual progress in the project, with clarification as to the role of assumptions and external and unanticipated causal factors affecting project performance. Part A of the PPR facesheet will be required for all projects. Appendix A-1 shows a draft of this two-sided facesheet.) Completion of Part B is also required for all projects, but projects will be allowed to elect one of two formats for reporting on Part B. Option A is a succinct report, using standard section headings that responds to specific questions concerning project performance. With Option B projects may elect to report by submitting a completed set of project evaluation worksheets.

(a) Performance Reporting Option A

For each level of the project (inputs, outputs, purpose, and goal), the performance analysis requires that planned versus actual performance be defined. Further, the validity of assumptions and unanticipated causal factors are to be reviewed for each level of the project. The following outline is provided as a guideline for performance analysis reporting. The substance of the outline if not the order is to be complied with in all PPR Part B: performance analysis, reports. The suggested outline is presented in Appendix A-2.

(b) Performance Reporting Option B

In preparing for and reporting on regular project evaluations, project teams will have the option of using all, or some, of a set of performance analysis worksheets. These worksheets are forms that provide a structure for performance analysis reporting. The worksheets, presented in Appendix A-3 are divided into four sections (A-D), each section deals with one of the levels at which the project is being assessed, i.e., goal inputs, etc.

(2) Elements of the Report for "Pretermination" or "Turn-Over" Evaluations

In the report on these final evaluations all of the elements described for the regular performance evaluations will be included. In addition this report will provide information on:

- Effectiveness of the project strategy and supporting technologies;
- Requirements for continuation of the project activity by a different action agent or long term operating authority; or requirements related to the distribution of information to ensure utilization of a research or development product created under a project;
- Other transferable lessons concerning the project, its design and implementation.

The format for this additional information will require further specification, and perhaps some experimental trials to determine what information is most useful to the various audiences, e.g., the host country, designers of new projects, etc.

Utility is the core of acceptance standards for the various evaluation reports generated by the system. That is, while it will be necessary to review these reports for comprehensiveness and apparent quality, it will also be necessary, perhaps through the DIS, to review from time to time their absolute value in terms of communicating results and guidance to others.

(b) Tier 2: Impact Evaluation Reports

Following impact and strategy assessments undertaken for specific AID projects, reports are to be submitted that will be (1) available for Agency review and action in appropriate offices, and (2) entered into the files of the AID Development Information Service (DIS) for use by future project designers.

In general these reports will consist of three parts:

1. An action/recommendation facesheet, similar to the facesheet used for regular project evaluation reports. (A modification of the current PAR, page 1.)
2. An evaluation summary. A brief summary of the key findings and conclusions and recommendations of the evaluation. A short paper for wide distribution, and for quick reference.
3. An evaluation report. The evaluation reports will vary widely in subject matter and in approaches used, but it is expected that each of these reports can be prepared in standard sections, including:
  - a. Project Objectives: The project's Logical Framework matrix can normally be in this section. A background and project strategy statement would normally be presented in this section.

- b. Evaluation Objectives: The reason for decisions affected by evaluation of the project at this time. This section also identifies the main audience for the evaluation, e.g., the project managers, program personnel, the host, etc.
- c. Evaluation Methodology: This section must provide enough specification of the methods by which data was collected and analyzed to allow the reader to determine for himself the probable quality of the data resulting from the evaluation.
- d. Evaluation Findings: The facts or evidence generated by the evaluation, e.g., the status of actual versus planned project performance. This material must be presented without value judgement. Other readers must have available the factual basis that is subsequently used to draw conclusions.
- e. Evaluation Conclusions: The interpretation of the facts made by the evaluators and to a degree the value judgments resulting from review of the facts.
- f. Evaluation Recommendations: The course of action, or alternative courses of action, defined by the evaluators based on the evidence and analysis that has been undertaken.

The use of a consistent set of section headings for evaluation reports has several benefits for users of the evaluation reports and is not a high cost form of discipline for the evaluators. Use of the standard section headings in evaluation reporting does not constrain the individuals who prepare these reports unduly; it does allow the DIS, as well as individual officers, to find and compare elements in different evaluations, e.g., methodology used in institution building evaluation, findings, in several cooperative projects, etc.

Tier 2 evaluation reports, far more than the regular (Tier 1) performance evaluation reports, are a reference and resource for the Agency. Hence,

it is expected that Agency officers will actually write up these evaluations, and make the results generally available. There are no space limitations placed on the Tier 2 evaluation reports (item 3), though in general shorter reports are more widely read. The evaluation summary should be brief, and the action facesheet (item 1) will normally be one page in length.

### 3. Design Processes and Product Acceptance

While the project design and approval process, and the products resulting from that process are not part of the project evaluation system, per se, the two are integrally related. Thus, this section defines some specification for the project design process, and clarifies the criteria for acceptance of design products from the point-of-view of project evaluation.

#### (a) Design Process Standards

The intent of the design process is a meeting of the minds of the parties to a project concerning project objectives, and achieving those objectives. While a single individual may be able to comply with the design requirements per se, only joint consideration of project objectives and assumptions by all parties can lead to an effective "meeting of the minds." This is particularly true for the development of a project's Logical Framework. Thus a multi-party sign-off procedure, similar to that incorporated in the draft PPR facesheet, is also recommended for the project design process.

(b) Design Product Standards

There are two evaluation related products developed during the project design process for which criteria for acceptance must be set: the Logical Framework matrix and the project evaluation plan. This section outlines criteria for these products; primarily it sets standards for acceptance of a Logical Framework.

(1) Standards for Project Logical Framework Matrices

In general the definitions provided with the original descriptions of the Logical Framework approach have been adequate. However, in one area--the definition of the time frame of a project--inadequate definition has led to inconsistencies in the use of the approach. A clarification of the time frame for indicators, which is consistent with the system's original intent is required.

The initial focus of the system's design approach was on the specification of a set of linked objectives, and the measures used to assess project achievement. The concept of End-of-Project-Status was created to characterize the point in time when the AID involvement in a project would be complete. EOPS did not necessarily mean the end of the stream of benefits that would derive from the project; it did mean the benefit, or performance status, as of the end of the Agency's formal project effort. It is this term then that needs to be reinforced, and associated with a time frame for the entire Objectively Verifiable Indicators column. It is the system intent that a project's results can be measured within the project life. Hence, the time frame for performance is, by definition:

All OVIs stated in terms of their status as of the end of formal AID involvement in a project.

With this modification of the system's definitions of the Logical Framework concepts in place, a set of review criteria for Logical Framework matrices has been designed. Projects that meet each of these review criteria should be accepted as having an adequate logical basis for evaluation. (The substantive basis for project action, i.e., the technical feasibility of a project is a separate issue which is already separately addressed in the guidance on the project design and approval process in AID's Handbook #3).

Table 4-6 presents a 26 item review checklist for assessing the soundness of a project design as recorded in a Logical Framework matrix. The checklist is designed to be used for up to three drafts of a project Logical Framework (PID--if one is prepared, PRP and PP). Use of the checklist by project designers and its use in project approval reviews by evaluation officers is designed to ensure that the review focuses on the logic of the project as well as its substance. It is intended that this review sheet be used and returned to the project designer as a basis for revisions between the PID and PRP, and the PRP and PP. Wherever reviewers write "no" in the review column against one of the 26 review items it is expected that the designer will consider the quality of his design product to be inadequate, and with his design team and host co-planners, review and revise the thinking that lies behind the summary made in the Logical Framework matrix.

The second element of the design package that affects evaluation is the project's evaluation plan. An approach for the preparation of a disaggregated performance plan against which evaluations during the project life can be made has been shown in Table 4-5. Preparation of this dis-

TABLE IV-5:<sup>6</sup>

CHECKLIST FOR ENSURING PROJECT LOGFRAME IS  
BASED ON CORRECT CONCEPTUAL THINKING

CHARACTERISTICS OF "GOOD" LOGFRAME	REVIEWS		
	PID	PRP	PP
1. The goal is a single goal			
2. The goal is stated in explicit, finite, verifiable terms			
3. Goal indicators are objectively verifiable in terms of quantity, quality and time, as well as target area/ audience if such exists.			
4. The project has a single purpose			
5. The purpose is stated in explicit, finite, variable terms			
6. The purpose is above the manageable interest of the project manager			
7. The indicators at the purpose level (EOPS) measure what is important in the purpose statement			
8. The EOPS indicators are not merely a restatement of the outputs			
9. The EOPS indicators are objectively verifiable in terms of quantity, quality, and time, as well as the target area/audience if such exists			
10. The purpose together with the purpose level assumptions, e.g. by reference other related projects, e.g., IBRD dam project, etc. create the necessary and sufficient conditions required to achieve the goal			
11. The "if - then" relationship between purpose and goal is the next logical step in the project hierarchy -- an important intermediate linkage has not been omitted.			
12. Outputs are stated in explicit, finite, verifiable terms			
13. Outputs are stated functionally, as results or as clear conditions			
14. Outputs indicators are objectively verifiable in terms of quantity, quality and time, as well as the target area/audience if such exists			

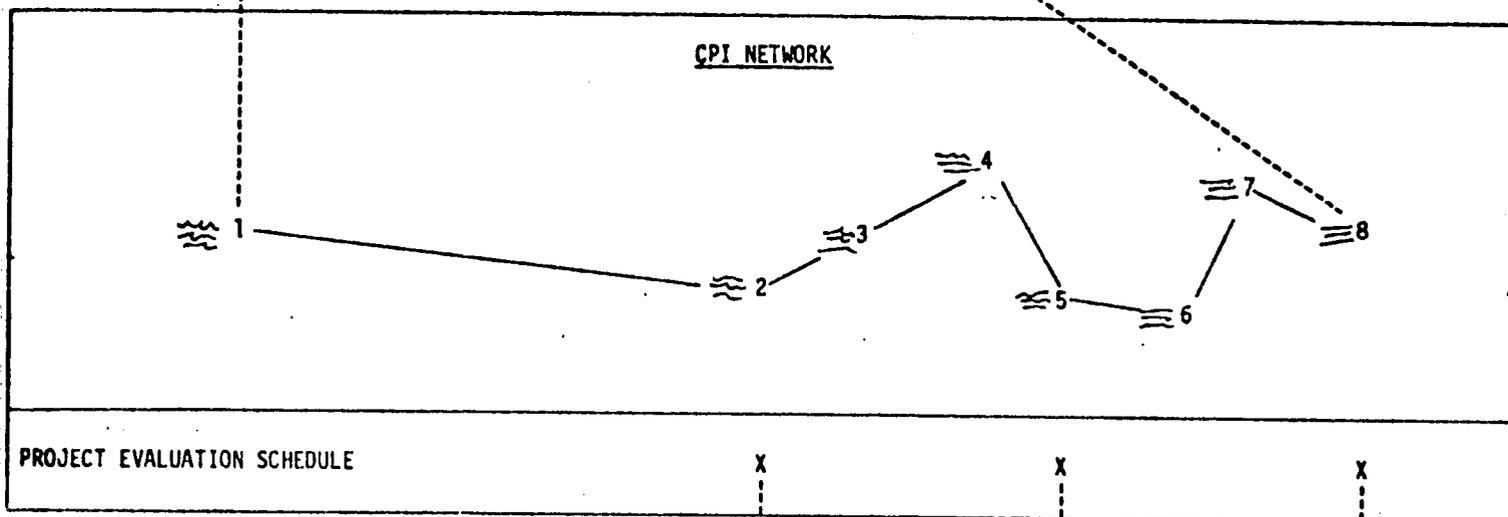


aggregated performance plan ideally should be an evaluation plan requirement. Further, the points defined for evaluation in the CPI network should match the points for evaluation in the disaggregated performance plan, such that the evaluation plan and the CPI network taken together, define total project performance at the series of points in the project life. The criteria set for accepting an evaluation plan for a specific project require further specification; it is anticipated that a checklist, a standard evaluation plan review form would be developed to fulfill a function similar to that intended for the Logical Framework matrix review checklist above. Figure 4-2 displays this intended relationship between the Logical Framework, the CPI network and the Evaluation Plans Table of disaggregated performance targets.

LOGICAL FRAMEWORK			
GOAL			
PURPOSE			
OUTPUT			
INPUT			

TABLE IV-6:

AIDs planning tools for design, performance monitoring during implementation and evaluation are leveled and rely upon a shared view of the project.



DISAGGREGATED PROJECT PERFORMANCE TARGETS/EVALUATION PLAN				
	BASELINE LEVEL	PERFORMANCE AS OF EVALUATION #1	PERFORMANCE AS OF EVALUATION #2	PERFORMANCE AS OF TURN-OVER EVALUATION
Goal Level Indicators & Key Assumptions				
Purpose Level Indicators & Key Assumptions				
Output Level Indicators & Key Assumptions				
Input Level Indicators & Key Assumptions				

## CHAPTER FIVE

### EVALUATION SYSTEM GUIDELINES

In the previous chapter the requirements of AID's project evaluation system were identified. While these requirements are designed to apply to all classes of Agency projects, it is also important to recognize that there are differences among project classes, and to support efforts to meet the evaluation system requirements by various project classes. Guidance material, the subject of this chapter, is a traditional AID format for assisting its various offices in meeting Agency-wide requirements. In this chapter guidance materials for the project evaluation system are presented in outline form.

Two formats for the project evaluation system guidance materials were considered by PCI, and reviewed with AID's technical monitors for the contract. The two forms considered were:

- Separate guidance materials on design and evaluation for each of AID's project classes;
- Topical guidance materials on (1) project design, (2) Performance Evaluation (Tier 1), and (3) Impact/Strategy Evaluation (Tier 2).

The first of these alternatives, separate guidance, was expected to lead to a highly redundant set of materials, and to emphasize slight differences between classes of projects -- giving these differences more weight than is appropriate considering AID's other efforts to streamline and standardize its approaches to managing project assistance.

The second alternative, topical guidance material, was found to be the preferred alternative, recognizing that where there are real differences between classes of projects these differences can be addressed within the topical guidance materials. Tentatively it is expected that development of these guidance materials would result in the issuance by AID of three separate volumes covering design, decentralized performance evaluation, and the more specialized impact and strategy evaluations of Tier 2. It is further possible that in addition to these basic guidance materials, special small volumes on techniques, e.g., questionnaire development, sampling, institutional viability assessment, etc., might need to be developed.

The remainder of this chapter is used to present, in annotated outline form, the plan for the development of the three main guidance volumes for the project evaluation system.

#### A. Guidance on Project Design

AID's existing guidance on the project evaluation system focuses primarily on project design, through discussions of the steps involved in what is called "clarification of the project design"\*. These discussions, in AID's Project Evaluation Guidelines (M.O. 1026.1 Supplement I), have been reviewed, and partially rewritten in a series of Bureau Manual Orders that provide advisory material for specific project classes. In the proposed guidance volume on project design, much of the material now existing in AID guidance would be incorporated. However, all material relating to use of a 3 x 3 rather than a full 4 x 4 Logical Framework matrix would be deleted. On the other hand, one of the modifications of the Logical Framework matrix developed by AID, the use of more than four levels,

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\* This terminology, and the sections dealing with design clarification were developed in recognition that many of AID's projects, at the time the guidelines were issued, had not been designed using the Logical Framework Approach.

would be retained in the guidance, and recommended for use in project designs where (1) a clear relationship to a DAP or DASP objective had to be shown, and (2) there is more than one obvious and important hypothetical linkage between the project purpose and the higher level (DAP or DASP) objective.

In all project designs it will be expected that a clear relationship to higher level objectives can be identified.\* The various project

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\* The Agency is currently testing new procedures for program design through its DAP and DASP requirements; and there is an on-going effort through a second evaluation contract with American Technical Assistance Corporation to define and test program level evaluation approaches.

The difficulty of defining the project's relationship to AID's goals is in part exacerbated by putting the responsibility for such definition at the project level: For example, under current Agency requirements a Means-End analysis to be prepared as part of the project design activity. Preparation of such an analysis, particularly one that defines the activities that will be carried on in parallel with the project, requires an overview of the total program into which the project fits. Project design teams are not currently structured so as to ensure that an individual with such an overview will always participate in the project design effort. On the other hand, this type of personnel is normally required for participation in the development of a DAP or DASP. Further, it is well within the scope of the DAP I and II and DASP activity to undertake at least draft preparation of sectoral and problem-based Means-Ends analysis. If overall Means-Ends analyses were prepared within the DAP and DASP structure, a good deal of the difficulty project designers and project managers have had in identifying the relationship between a project purpose and goal would be overcome. While it is not PCI's task to assess program design and evaluation, the nature of the interface between project evaluation and programming is such that a modification of the requirement for the development of Means-Ends analyses is desirable. Specifically:

- . Development of sectoral and problem-based Means-Ends analyses within the DAPs and DASPs prepared by AID;
- . A Means-Ends analysis during the project design that displays the project within an existing (DAP or DASP) sector or problem Means-Ends analysis, adding detail as needed at the project's interface with higher level elements of the Means-Ends analysis.

Adoption of this suggestion would directly address project level difficulty confirmed by the PCI study in defining the goals of some of AID's centrally funded projects, and the current practice of exempting many of these projects from AID's general requirement for a full 4 x 4 Logical Framework design matrix.

classes are expected to relate to objectives defined by their respective programming processes. That is, all centrally funded projects, (with the exception of VOLAG projects, discussed below) would be expected to show a clear and logical relationship between project purpose and DASP objectives. Classes of projects included under this prescription are: 211d grants, research projects, centrally managed population projects, GTS methodology projects (GTS technical support projects involving professional support to field projects are discussed below), and other such centrally funded and managed projects as the Agency undertakes, including research/development projects mounted by PPC.

VOLAG projects that are centrally funded and managed, particularly the Development Program Grants, must also have a clear relationship to major Agency objectives. The objectives to which these projects relate may not however be DASP objectives. Rather, the specific higher level relationship for the DPG projects may need to be clarified in terms of the Agency's long term objectives concerning its procedures for conducting overseas operations. It will be the responsibility of the Agency, not the VOLAG, to formulate a clear set of higher level objectives for this activity. Within this context the VOLAGs will be expected, using the standard AID design procedures, the Logical Framework matrix, and possibly a means-ends analysis, to show how their particular DPG supports AID's higher level objectives in this area.

All Mission projects will be expected to fit into the structure of DAP objectives. (VOLAGs, again a potential exception to this general guidance, are discussed below.) The classes of projects for which the DAP will provide the source of higher level objectives -- in project Logical Frameworks and in means-ends analyses -- are:

technical assistance projects, capital assistance projects, housing investment guarantees, sector loans of the project (and perhaps the program type as well), and field managed population projects. Research projects carried out in a Mission will not be expected to formally define their impact in terms of the country in which experiments are being conducted in the Logical Framework matrix. However, it will be expected that projects which related directly to DASP objectives, but are carried out overseas, will provide discussion in the project PP of the second order effects of project efforts -- effects on the country in which the research or experimentation is being carried out.

VOLAG projects carried out in the field, primarily the Operations Program Grant projects in this case, will be expected to define their relationship to either the DAP that covers the area, or to explicit, written host country objectives (though not necessarily national plan objectives). Wherever OPG projects are not related to DAP objectives, the written host country objectives to which the project relates will be submitted with the project approval documentation, and a means-ends analysis showing the relationship to these host country objectives will be required. AID will retain the right to disapprove projects in this latter category wherever the connection between the OPG and written host objectives are either questionable, or in conflict with basic AID policy directives concerning the area.

In PCI's draft report on the horizontal expansion of the project evaluation system, the remaining project classes, including PL480 projects, commodity and cash grants, GTS technical service projects and foreign disaster assistance were grouped under the term "resource projects." The sense of this grouping was intended to imply that all of these project classes support field project activity, rather than central project activity. From a prescriptive design standpoint

this implies that projects in these classes must relate to the DAP objectives for the areas in which they are mounted. Further, it is expected that as such relationships are defined it will become clear that many of these "projects" are not projects in themselves but rather are "input" elements for larger field project efforts, e.g., a GTS technical support professional as an input in an institution for that larger project, or a PL480 food program that is an "input" for a larger agricultural or health-related effort.

Where it is found, through clarification of the project's design and objectives, that projects grouped in this "resource" category are really inputs to larger Mission efforts, the fiction of two projects should not be maintained. In such cases the "resource" element should be incorporated into the Mission project as a regular input for which the related outputs are clearly defined. In such cases responsibility for design and subsequent evaluation will require participation by two AID offices, with primary responsibility falling to the Mission. Administration of the technical aspects of the "resource", e.g., shipment of the PL480 food, in response to project requirements jointly identified with the Mission, would remain the responsibility of the PL480 office in AID, etc. This procedure is expected to lead to less "double-counting" in AID activities, and further, to better design and management of the reduced number of AID projects that actually have full fledged designs.

The guidelines on project design would be developed as a single volume that can be used by AID personnel working with all classes of Agency projects. These design guidelines would include the following elements:

- A summary of the design/evaluation requirements identified in AID's Handbook #3: Project Assistance;
- Instructional material on the Logical Framework approach;

- Sample designs and examples of indicators, means of verification and assumptions in various classes of Agency projects;
- Advisory material concerning the procedural aspects of the design process -- the roles and responsibilities for design that are to be used in preparing projects in various classes.

The summary of the design/evaluation requirements that is presented at the beginning of the volume would also be used as the introductory section of the volumes dealing with performance and impact evaluation. Much of the instructional material that would be included in the volume will be taken from AID's current guidelines and handbook on design/evaluation. Some new material will be required in this section, including more basic material on experimental design concepts as well as modified definitions of some system concepts, particularly the idea of End-of-Project status.\* For the following section, a section that treats with the details of applying the Logical Framework approach to various classes of projects new materials, including sample designs that clearly illustrate application of the approach, must be developed. For example, methods for stating the project purpose as a discernable outcome, and then measuring the outcome in terms of an intended target group will require illustration both for field projects and for those centrally funded projects that have as their target audience sectors or sub-sectors in a number of countries. It is not intended that this section of the guideline materials present model Logical Framework matrices that can be simply copied and resubmitted as designs. Rather, this section will be designed to illustrate alternative approaches to the statement of objectives, their measurement and elements to be considered when identifying project assumptions. In the final section dealing with roles and responsibilities, much of the existing AID material would be utilized, however, new material will be needed for

\* As noted earlier this concept must be refined so as to ensure that in applying it project personnel measure EOPS as the end of AID involvement, not the end of the intended stream of benefits resulting from AID's initial effort.

explication of the roles and responsibilities for projects where either an AID intermediary, e.g., a VOLAG, or the host country, will take the lead in the design process.

A draft outline of the volume of guidance for project design is presented below:

### OUTLINE OF PROJECT DESIGN GUIDELINES

#### 1. INTRODUCTION

- A. Planning as a project concept and the relationship between design and evaluation (from existing AID guidelines material).
- B. AID's requirements for project design and evaluation planning (from Handbook #3, with modifications to the section on evaluation planning\*).

#### 2. AID's PROJECT DESIGN CONCEPTS

- A. The experimental nature of projects (some new material on basic research design, etc.)
- B. The Logical Framework Approach (some revisions e.g., revised definitions, to the existing AID guidelines material are required).

#### 3. THE PROJECT DESIGN PROCESS

This section is to be a step-by-step approach for applying the design concepts. In each subsection both instructional material and sample applications to various classes of projects are to be included.

\* Includes the addition of a requirement to specify performance targets at all project levels as of the planned time of each proposed evaluation.

A. GOAL IDENTIFICATION

- (1) Means-ends analysis (from Handbook #3, and with some examples, e.g., material on application to field of education found in Handbook #2, final section.)
- (2) Using the DAPs, DASPs and Country Plans as GOAL documents. (Section would provide examples of linkage between these objectives and project designs in specific classes.)
- (3) Goal measurement (some new material, and some use of material in current Capital Project Evaluation guidelines. This section would treat both indicators and means of verification at the goal level, and would address the problem of the differential measurement of a "contribution" to goal achievement, e.g., the productivity of meat in the framework of total food production, etc.)

B. PROJECT PURPOSE

- (1) Purpose and project strategy (summarization of scattered Agency materials, and some new material discussing trade-offs and target group impact as well as sample materials on identifying finite, verifiable purpose level objectives.)
- (2) End-of Project Status (including some new materials and examples of EOPS as a point-in-time measure that corresponds with the cessation of AID involvement in a project.)
- (3) Purpose level Assumptions (including new illustrative material dealing with approaches including, by reference, the other major sectoral or sub-sectoral activities that will affect goal achievement.)
- (4) Assessing Purpose "Value" (raises discussion of cost/benefit and cost/effectiveness that will later be raised in approval process and in preparing project evaluations.)

C. PROJECT OUTPUTS

- (1) Strategy, technology and the output mix (incorporating AID materials from scattered sources.)
- (2) Specifying the outputs (functional division of results expected and use of operational definitions, some new material will be needed in this section as well as examples.)
- (3) Output level assumptions.
- (4) Relationship of outputs to PPT (discussion and examples concerning simultaneous development of the Logical Framework matrix and the CPI network.)

D. PROJECT INPUTS

- (1) Inputs as project activities (Discussion and examples concerning the statement of inputs as activities directed toward the creation of outputs, and the manner in which this approach to identifying network and the assessment of costs required for the development of specific outputs.)
- (2) Input indicators (Some new material, and some existing AID material on costing input activities.)
- (3) Enumeration procedures for relating input utilization to output creation.
- (4) Input assumptions.

4. THE BASIS FOR PROJECT EVALUATION

- A. Project Design as the basis for evaluation (Discussion summarizing the manner in which design pre-specifies the project's view of success, and simultaneously defines the evaluation approach for the project -- from existing AID guidance materials.)

- B. Baselines Data (In the body of the guidelines volume a discussion of the type of baseline data needed in various classes of projects would be presented. The methodology for baseline data collection analysis would most probably be provided as an appendix to the volume, (and would match a data collection methodology appendix in the volumes on project evaluation). The data collection and analysis appendix would be a condensation of published material in this area, with specific examples of how data collection problems in the developing countries, e.g., sampling when the size of the population is not known, etc., can be addressed.)

Section 4 would be intended to assist project designers at the point where they will need to collect baseline data for later evaluation, but it is not intended to provide guidance on evaluation per se. Rather this section must bring to the design process an evaluation perspective that makes the step of baseline data collection logical and comprehensible.

## 5. THE PROJECT EVALUATION PLAN

- (1) The form of the Plan (This section illustrates the application of AID requirements through sample evaluation plans for classes of projects.
- (2) Disaggregating performance expectations (This section is intended to both provide guidance on when evaluation should be conducted for a project, i.e., how to select the points at which evaluative information will be of greatest use, and to provide instruction concerning approaches to forecasting how much progress will be made at each project level as of the points in time when evaluation will be conducted. Disaggregated performance plans samples will be included illustrating the manner in which input and output performance precede purpose and goal performance, but also showing how leading indicators of purpose and goal achievement can be assessed early on in the project life. The use of CPI network and description charts as elements of the disaggregated performance plan would be described for sample projects, and illustrated in sample evaluation plan worksheets of the type shown in Appendix A.

To develop Section 5 of this volume a good deal of new material would be required. Evaluation plans, and project evaluations in the past, have in general focused on actual performance in relation to the planned level of performance at the end of the project. Modifications suggested in this

report shift the focus of evaluation from planned performance at the end of the project to planned performance as of the time of the evaluation. This shift facilitates a more rigorous comparison between planned and actual achievement during project evaluations. As additional work is undertaken to develop this section of the design guidelines it is expected that a review of the statement of evaluation plan requirements in Handbook #3 will be required, and at least some modification of that statement may be needed.

## 6. ROLES & RESPONSIBILITIES IN PROJECT DESIGN

- (1) The AID project team.
- (2) Project preparation with VOLAGs (in which support to VOLAGs rather than preparation of VOLAG projects completely by AID officers is defined and a joint process is outlined as recommended.)
- (3) Co-planning: AID's Host Partners (discussing the roles and involvement of the host from the very earliest design stages).

The six section volume on design guidelines, outlined above, would supplement AID's Handbook #3: Project Assistance. The guidelines volume on design, while not going into detail concerning AID's project evaluation process, would complement the two volumes dealing with project evaluation.

In the design and evaluation guidance volumes, special attention must be given to certain aspects of applying the system to specific classes of projects. For the projects in which AID intermediaries are involved, this special guidance will deal in good part with procedural matters. However, there are some project classes where attention to the use of the design concepts, e.g., purpose, EOPS, etc., with that project class is needed. Table 5-1 identifies the areas where the guidelines must provide special instructional material. In the following paragraphs the reasons for this special material are summarized briefly:

PROJECT CLASSES	GOAL				PURPOSE				OUTPUTS				INPUTS				PROCEDURES RULES & REGULATIONS
	NS	OVI	MOV	A	NS	OVI	MOV	A	NS	OVI	MOV	A	NS	OVI	MOV	A	
Technical Assistance																	
Operation Program Grants																	
Field Population Projects																	X
Capital Assistance					X	X											
Housing Investment Guarantees																	
Sector lending (project type)					X	X											
Research					X				X				X				
Institutional Development Grants	X	X			X	X											
Development Program Grants	X				X	X											
General Technical Services					X				X	X							X

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Each level of a project is represented in this chart. Further these levels are broken down into their Logical Framework elements, as follows:

- NS - Narrative Summary of Objectives
- OVI - Objectively verifiable indicators
- MOV - Means of verification
- A - Project assumptions

- Technical Assistance Projects

It is expected that the general guidance together with examples for this class will suffice.

- Operational Program Grants

It is expected that the guidance on project design concept application together with examples and a special section on procedural issues -- roles and responsibilities -- for VOLAGs will prove to be adequate.

- Field Population Projects

It is expected that the general guidance together with examples for this class will suffice.

- Capital Assistance

In addition to the general guidance and examples, special attention will be given to defining and measuring project purpose for capital projects in which physical structures are the essential outputs. In these projects, purpose level attention must be paid to the impact of such capital investments.

- Housing Investment Guarantees

It is expected that the general guidance together with examples for this class will suffice. Some cross-references to measures for projects in other classes that address institutional development would be included.

- Sector Lending (Project type)

Since project type sector lending often involves producing a number of "outputs" for a country plan the definition of project purpose can become problematic, and will require special attention/examples in the guidance.

9 Research

Research projects have two special characteristics that require special attention in the guidance materials: Unknown outcomes and a concern for research methodology. Special materials that address these characteristics within the design approach are required.

9 Institutional Development Grants

Purpose definition and measurement and goal definition and measurement require special attention for these projects. The guidance provided on institutional measurement will be a basis for cross reference to field projects with similar elements.

9 Development Program Grants

Like Institutional Development Grants these projects require special purpose and goal attention in the guidance material. In DPGs the special attention required is on both the setting of objectives per se and then measurements. Special procedural guidance for VOLAG DPGs is also required.

9 General Technical Services

Special attention is required in the guidance to those GTS projects that provide human resources to field projects. For this type of GTS project, "output" logical frameworks defining the expectations concerning the productivity of such human resources are illustrated in combination with full Logical Framework matrices for the field projects these human resources support.

● PL480 Projects

Special guidance on the procedural aspects of design/evaluation for PL480 government-to-government and VOLAG projects is required. Further, attention in the guidance is required on the objectives of PL480 projects. A re-examination of the basic issue of whether food programs are designed to become self-perpetuating in the developing countries or whether they are short-term measures in conjunction with other health and agricultural productivity efforts may be a pre-requisite to full development of the guidance in this area.

PCI found in its study that some areas currently termed "non-project assistance" can use the Agency's design and evaluation approaches, e.g., commodity assistance and cash grants. The degree of attention given in the guidance materials to such types of projects however will depend upon the Agency's desire to include such activities in its expanded evaluation system.

B. Guidance on Project Performance Evaluation (Tier 1)

Existing Agency guidance on project evaluation, the roles and responsibilities of various offices, the procedures for the evaluation review, etc., can in good part be incorporated into the proposed volume on performance evaluation. Further specification of the responsibility within AID for project evaluation is required concerning activities that have both a Mission and a HIG, PL480, cash, or GTS element. In general it would be expected that the prime responsibility for performance evaluation of field projects would rest with the Mission of field office. Feedback on the project relates both to the Mission program and to the project itself, making the Mission Director or his regional or area equivalent the logical chairman for evaluation reviews of such projects. It is not expected that the field office staff would be required to complete all of the data collection and analysis for projects in which another AID office had some management responsibility. Rather the routine data gathering

responsibilities would need to be pre-determined during design, and part of the management responsibility of the non-field AID office would be to ensure that such data was routinely collected wherever possible under the aspects of the project managed by the other office. Further it would be expected that a representative of that other office would participate in the project evaluation, and/or the evaluation review, since the evaluative results may have bearing on the management procedures of the non-field AID office, e.g. SER/H, PL480 and the various offices of PHA and TAB that support field activity.

While it is expected that a similar procedure would be used for OPG projects mounted by VOLAGs, it is necessary to define alternative acceptable procedures that these agencies might use. Part of AID's overall strategy, evidenced in the DPG grants, is to strengthen the planning and evaluation capability in these organizations. VOLAG managed evaluations and evaluation reviews jointly chaired by AID and the VOLAG are an important opportunity to capitalize on the DPG investments AID is making. On the other hand, AID should not simply spin-off VOLAG evaluations. The results of these evaluations impact on the Agency programs, ability to meet DAP objectives, etc., and a partnership role in the VOLAG project evaluation is appropriate.

Central projects may be evaluated either in Washington or in the field, but the primary responsibility for conduct of the evaluation would remain with the central office. Co-chairmanship of evaluation reviews in the field by the central office representative and the Mission director is an option that will be discussed in the full volume on performance evaluation guidance.

In all field project evaluations the role of the host government, and other donors where appropriate, is to be strengthened. The guidance materials on all aspects of performance evaluation will identify options for involving the host in the evaluation of AID's field projects. Ideally these evaluations will be a joint effort, in fact, as well as in name.

The main areas in which the guidance volume will require development of new materials, or the adaptation of existing materials developed outside of AID, are evaluation design, data collection, data analysis, and the organization of raw data into manageable sets of evaluation findings, conclusions and recommendations. The development of disaggregated performance plans in the project's "evaluation plan" and the identification and monitoring of project CPIs in the PPT system is expected to be useful in structuring the data handling aspects of performance evaluations, and to reduce the time required to prepare for these evaluations. Assuming that the project has been properly designed, and that data has been collected during the normal course of the project, the main efforts prior to the regular project performance evaluations will be the organization of existing data into a meaningful package and the verification of project assumptions.

Once valid project designs are prepared for Agency projects in all classes, and evaluation plans and CPI networks developed, it should be recognized that the main differences in the evaluation procedures for various classes will deal with who actually manages the evaluation process and chairs project evaluation reviews -- the roles and responsibilities differences discussed above. In the evaluation guideline volume on performance evaluation procedures in these areas will be discussed for all variants that can be identified. Recognizing these areas of difference, the general format or outline for this volume is presented below.

In the volume, supplementary sections will be provided to cover the additional tasks attendant to preparing for and conducting "pre-termination" or "turn-over" evaluations. Differences between research projects, which must disseminate their results, and operational field projects that are to be turned over to the host will be identified and approaches for such differences defined.

The outline for the performance evaluation volume thus includes:

1. INTRODUCTION

- A. Evaluation as a project concept
- B. AID's requirements for performance evaluation
  - (1) Process and product requirements
  - (2) Standards for performance evaluation products and processes

2. AID'S PROJECT EVALUATION CONCEPTS

- A. Informed Replanning
  - (1) Project Level
  - (2) Program and Agency strategy level
  
- B. Involvement
  - (1) The project team.
  - (2) The host
  - (3) Other parties affected by the evaluation
  - (4) Higher level AID management and designers of new AID projects

### 3. THE PROJECT EVALUATION PROCESS

#### A. The Basis for Evaluation (discusses the Logical Framework, the project's evaluation plan, and the CPI network and monitoring system)

This section of the volume would review the basic design tools used by the Agency from an evaluation perspective. The section discusses the ways in which data developed by the reporting system (PPT) can be utilized at the time of evaluation. It also discusses and provides examples of how other data that will be required for evaluation can be collected on a routine basis by the project, rather than requiring a major data collection effort just prior to evaluation. Included in this discussion would be means for assessing the validity of project assumptions on a continuing basis. The section attempts to put project personnel in a position of understanding how the design system both forecasts what is expected in terms of project performance and defines the means for learning, as early as possible, whether planned performance is being achieved, and/or whether replanning of the project is desirable.

#### B. Planning for the Evaluation

- (1) Definition of management questions for the evaluation to address
- (2) Identification of existing data and further data collection needs
- (3) Identification of participants and responsibilities (including definition of an evaluation schedule and selection of an evaluation manager)

The focus of this section is on how to get the maximum value -- for the project -- out of each project evaluation. The first element of the section is designed to develop an understanding of the fact that evaluation is intended to support the project's decision making process. It cannot however support that process if the evaluators do not understand

what decisions are pending in the project. Review of the projects evaluation plan is a necessary element of getting ready for an evaluation, but it is not sufficient. Those who will conduct the evaluation must become sensitive to new decisions and issues that were not anticipated in the evaluation plan, and attempt in the course of the evaluation to provide useful information on these unanticipated issues. The second element of this section reemphasizes the importance of knowing what data already exists, e.g., data used by the host, data used to prepare CPI reports, etc. Redundant data collection is to be avoided as is data collection that will not be useful in developing answers to the evaluation questions that are to be addressed.

Part three of this section would discuss roles and responsibilities, and would perhaps include a checklist for the evaluation manager to use in preparing both the participants and the materials for the evaluation.

#### C. Data Collection and Analysis

This section would either need to incorporate materials on definition of data elements, development of data collection instruments, etc. or would need to refer to small topical booklets developed to cover these areas. The approach taken for this section would parallel the approach in the design volume section on baseline data.

#### D. The Evaluation Review

This section would borrow from existing materials and provide full discussion of the roles and responsibilities for the evaluation review for each of the variants on this process discussed above, e.g., VOLAG projects, Mission projects, etc.

#### E. Evaluation Reporting

This section would include blank and completed samples of the required evaluation forms (the PPR and its associated worksheets, see Appendix A1-3). Procedures for reviewing these reports, and for storing their information would be treated in this section.

## F. Special Methodologies

There are a number of types of AID projects, e.g., credit, institution building, etc. for which special evaluation approaches have been developed that supplement more general materials on data collection and analysis. This section would be used to introduce field officers, as well as VOLAGs and central project managers to these methodological techniques.

## C. Guidance on Impact/Strategy (Tier 2) Evaluation

The third volume of guidance materials proposed for this series would take the form of an advanced guide on evaluation. While following the outline of the volume on Performance Evaluation it would address in detail the special problems of ex-post facto evaluation efforts, of designing evaluations that can be used for more than one project in a class, etc. The sections on roles and responsibilities would differ, in that Tier 1 evaluations will be performed "outside" the project structure, i.e., by the Mission, Bureau or PPC. While project team members would be included if the project was still in operation, the development of the report and the review of the project evaluation will have a different structure than is expected in performance evaluations. Report formats, and evaluation review procedures for these evaluations would be discussed for both live projects and for completed projects, since these are conditions under which different procedures would have to be applied.

In this volume more attention would be given to evaluation design as well as to special methodological approaches that have been developed to handle specific technical areas and project types. In general it is the methodological rather than the procedural aspects of evaluation that would be the subject of this volume. Techniques applicable for analysis of cause and effect, such as the "connectwork" discussed by PCI in its draft report would be recommended for inclusion in the reports on this type of evaluation.

While the general nature of the outline for this volume would follow that developed for the Performance Evaluation volume, further discussions with AID are necessary to fully define the complete set of sub-sections, and specialized methodologies that would be treated in this volume. One aspect of this needed discussion would be whether special small booklets, that provide guidance on specific types of advanced evaluation methodology would be preferable to inclusion of such methodologies in the main Impact/Strategy Evaluation guidance volume.

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**Appendix A-1: PROJECT PERFORMANCE REPORT (PPR)**

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Page 2. PPR	Project #:	PPR For Evaluation #:	Country:	Date of Evaluation Review:
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**ACTIONS PROPOSED & REQUESTED AS A RESULT OF THIS EVALUATION**

a. ACTION (x)				b. LIST OF ACTIONS	c. CRITICAL ACTION COMPLETION DATE
AID/W	Mission	Host	Key Action Agents (initials)		

**EVALUATION METHODS**

Identify any changes in evaluation methods, data sources used, etc. that deviated from plans originally included in the project's Evaluation Plan in the PP. Where changes will affect further evaluation of the project, identify why such changes were required.

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**Appendix A-2: PERFORMANCE ANALYSIS OUTLINE**

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## Appendix A-2

### PERFORMANCE ANALYSIS OUTLINE

#### A. PROJECT INPUTS

1. Specify the planned level of performance on inputs as of this evaluation.
2. Specify the actual level of performance on inputs as of this evaluation.
3. Identify whether there has been progress on these indicators since the project began, i.e., as compared to the baseline status on these indicators.
4. As appropriate, assess the effectiveness of project methodologies, e.g. research strategies, and any changes in such methodology suggested by this evaluation.
5. Identify as far as possible the key factors that have caused any deviation between planned and actual input performance.
6. Identify as far as possible problems concerning the validity of project assumptions concerning the relationship between the provision of inputs and the creation of project outputs.

#### B. PROJECT OUTPUTS

1. Specify the planned level of performance on outputs as of this evaluation.
2. Specify the actual level of performance on outputs as of this evaluation.
3. Identify whether there has been progress on these indicators since the project began, i.e., as compared to the baseline status on the output indicators.
4. Identify as far as possible the key factors that have caused any deviation between planned and actual output performance.
5. Identify as far as possible problems concerning the validity of project assumptions concerning the relationship between the provision of outputs and the achievement of project purpose.

#### C. PROJECT PURPOSE

1. Specify the project purpose. Is this the same purpose as was identified in the PP?
2. Specify the planned level of performance at the purpose level -- progress toward the project's EOPS -- as of this evaluation.

3. Specify the actual level of performance at the purpose level as of this evaluation.
4. Identify whether there has been progress on these indicators since the project began, i.e., as compared to the baseline status on the EOPS indicators.
5. Identify as far as possible the key factors that have caused any deviation between planned and actual performance at the purpose level.
6. Identify as far as possible problems concerning the validity of project assumptions concerning the relationship between the achievement of purpose and achievement at the project's goal level.

#### D. PROJECT GOAL

1. Specify the project goal. Is this the same goal as was identified in the PP?
2. Specify the planned level of goal impact -- performance on goal level indicators -- as of this evaluation.
3. Specify the actual level of performance at the goal level as of this evaluation.
4. Identify whether there has been progress on these indicators since the project began, i.e., as compared to the baseline status on these goal achievement measures.
5. Identify as far as possible the key factors that have caused any deviation between planned and actual performance at the goal level.
6. Identify as far as possible problems concerning the validity of project assumptions concerning the relationship between goal achievement and long-term project impact.

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**Appendix A-3: PPR WORKSHEETS**

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PPR	Worksheet A-2	Project Number:	Country:
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Narrative assessment of effectiveness of project methodologies:

Proposed methodological changes suggested by this evaluation:

PPR Worksheet B	Project #:	PPR for Evaluation #:	Country:	Date of Evaluation Review:
Project Outputs	Baseline on Performance Indicators	Planned Performance as of Eval. # _____	Actual Performance as of Eval. # _____	Planned Performance as of Completion of Project (EOPS Achieved)
Output # _____				
Output # _____				
Output # _____				
Sources of deviations from planned output level performance (identification of cause--output, specific, or assumption related) or other factors not considered in project's original plan.				
Validity of or problems concerning critical assumptions affecting achievement of purpose during this evaluation period.				

PPR Worksheet B-2	Project #:	PPR for Evaluation #:	Country:	Date of Evaluation Review:
Additional Project Outputs	Baseline on Performance Indicators	Planned Performance as of Eval. # _____	Actual Performance as of Eval. # _____	Planned Performance as of Completion of Project (EOPS Achieved)
Output # _____				
Output # _____				
Output # _____				
Output # _____				
Output # _____				

PPR Worksheet C	Project #:	PPR for Evaluation #:	Country:	Date of Evaluation Review:
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1. Statement of Project Purpose:	2. Same as in PP: <input type="checkbox"/> Yes <input type="checkbox"/> No
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Baseline on End-of-Project Status EOPS Indicators	Planned Performance on EOPS Measures as of Evaluation # _____	Actual Performance as of Evaluation # _____	Planned Terminal Status of EOPS Conditions
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Sources of deviation from planned purpose level performance (identification of cause--purpose, specific, or assumption related) or other factors not considered in project's original plan.

Validity of or problems concerning critical assumptions affecting the goal during this evaluation period.

PPR Worksheet D	Project #:	PPF for Evaluation #:	Country:	Date of Evaluation Review:
1. Statement of Goal:		2. Same as in PP: <input type="checkbox"/> Yes <input type="checkbox"/> No		
Baseline on Goal Indicators	Planned Performance on Goal Measures as of Evaluation # _____	Actual Performance as of Evaluation # _____	Planned Terminal Status of Goal Conditions	
Sources of deviation from planned goal level performance (identification of cause--goal, specific, or assumption related) or other factors not considered in project's original plan.				
Validity of or problems concerning critical assumptions affecting long-term impact during this evaluation period.				