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CHARACTERISTICS OF "EFFECTIVE" PROJECTS:
AN EXAMINATION OF EVALUATION FINDINGS

DRAFT REPORT

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By

Victoria A. Morss

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EXECUTIVE SUMMARY

Introduction

In 1981, The Agency for International Development began a systematic review of its project assistance portfolio which revealed, amongst other issues, that a significant proportion of the Agency's projects were encountering serious implementation difficulties which resulted in extensive delays in project activities and disbursement of funds. The Office of Evaluation commissioned an investigation of these projects to determine the causes of implementation problems and what might be done to eliminate them. Evidence from that report suggested that:

The causes of implementation delays included an overoptimistic picture of how fast implementation can occur, poor organizational arrangements, overestimation of host country willingness or capacity to comply with project objectives, inefficient contract and procurement procedures, lack of USAID management support, and poor project management and staffing.

This study, an investigation into projects that move well through the implementation process, is intended to complement the first study. It was based on the hypothesis that projects that moved well through the implementation process did not experience significant implementation problems or somehow had overcome them. The objective was to isolate the characteristics of projects that move well through implementation, explain how the projects were able to avoid serious implementation problems, and compare them to those which experienced significant implementation delays. The underlying question was: Were projects that appeared not to experience implementation problems necessarily well implemented and were they any more "effective" or successful than those projects which experienced serious implementation problems?

Study Approach

The study began by identifying a sample of 933 projects that appeared to move well through the implementation process for which evaluative data were available on 28 percent. Project design and evaluation abstracts and financial information were ordered from the Agency's automated information systems capable of producing project-related information: The Project Accounting Information System (PAIS) and the Program Budget Data System (PBDS) and the Development Information System/MINISIS.

933
x.28
231

Projects moved well through the implementation process in that they disbursed funds faster than average for the mission, appeared to be based on a workable concept (many were replications of earlier projects), and satisfied management concerns that the activities were accomplished within a specified time and given budget. An examination of the evaluation and audit abstracts of these projects revealed that almost all of them were experiencing implementation problems and many were encountering severe implementation difficulties. In short, the projects were confronting the same problems as plagued those projects analyzed in the previous investigation into poorly implemented projects. To find out how the projects that moved well through implementation resolved their problems, only those projects for which the evaluators attributed some degree of "effective" implementation and/or overall "effectiveness" were analyzed. This yielded a sample of 87 projects. In the evaluations and audits reviewed, there was no discernible, uniform measure used to identify projects effectively implemented or generally "effective" or successful. Each evaluation team had a unique perspective, focus, and style. Some reports were extremely positive, others excessively negative, still others enigmatic. Some measured "effectiveness" in terms of technical success, others in terms of follow-on capability, or budget and schedule considerations, or impact or even sustainability. In short, effectiveness was measured differently by each evaluation team and a more universal, comparable attribution should not be implied.

Additional information used for this analysis included, project files (cables, letters, memorandums, contractor reports, project completion reports), evaluations, interviews with individuals familiar with or responsible for projects included in this sample, and secondary sources such as reports from other donor agencies attempting to determine the ingredients of "effective" projects.

Findings and Conclusions

One purpose of this study was to examine AID evaluations and audits to develop evidence to demonstrate circumstances, characteristics, and processes that would facilitate "effective" project implementation. The data do not accommodate this type of analysis and do not permit firm conclusions about why and how projects are effectively implemented for the following reasons:

1. Evaluations are not structured for comparisons. They differ in terms of objective, coverage, format, organizational structure, and team composition. Essentially, there is no commonality amongst the evaluations whether they are done on the same or different projects. Evaluation teams looking at the same

38%
25%

project, for example, focus on different issues, are composed of individuals with different skills and interests, use different methodologies, and consequently arrive at different conclusions regarding the merits and faults of the project, and the actions required to continue the merits or remedy the faults. True insight in determining the critical differences between good and bad projects, active and terminated, will only be gained through comparative evaluations, which activity has not heretofore been attempted by the Agency. It is inappropriate to use formative and summative evaluations to make comparative assessments by trying to superimpose a common analytical framework to analyze them.

2. Monitoring and evaluations reports do not concern the processes of implementation. Monitoring reports, which are only rarely available, provide insufficient information for managers to make sound judgments. These reports almost exclusively pertain to implementation status ("estimated achievements were 22 percent vs. a scheduled progress rate of 25 percent"), whereas they should touch on implementation problems, processes, and issues. Evaluation teams look at their task in much the same way the average driver looks at his car: If it is running, he doesn't question how or why. It is only when it breaks down that the issue arises. As a result of this mentality, evaluations contain the following kind of descriptive, nonanalytical comment: "There have been problems, but after discussions with all concerned parties it appears the problem can be dealt with." In sum, the standard indicators used by the Agency to monitor the physical progress of projects do not tell managers if the projects are "effective". They provide information on implementation status and reasonably reliable signals of problems. This information is often inaccurately used as proxies for project success or failure in evaluation and audit reports.

3. Decisions concerning the continuation, replication, or cessation of projects have little to do with whether or not the projects were or appeared to be "effective." This sample of projects illustrates the faulty nature of evaluation feedback into the decision-making process. Many projects evaluated as abysmal examples of intervention strategies were replicated and many others supported by the host country, project staff, and the evaluation teams were discontinued. The findings of evaluations have little impact. Projects are frequently continued, replicated, or terminated for political considerations, because of ignorance of the project, or bureaucratic momentum, not because they are distinguished examples of inspired development interventions.

4. The "lessons learned" from project evaluations do not always capture the nature of project success. Many represent ideological or political biases, others are of such a general nature so as not to be particularly instructive, and others miss the point. It is not easy to identify those events and problems that are likely to have a significant effect on project behavior, as the project design documents amply illustrate. It is even more difficult to classify events after the fact, as the evaluations show. At best, the "lessons learned" from one unique project are an interpretation of the actions, events, and activities that have positively and negatively influenced that project. They might or might not have relevance in other circumstances. At worse, they represent the advocacy on one development approach or denigration of another.

A second purpose of the investigation was to take the sample of 87 "effective" projects and identify the characteristics and factors that contributed to their effectiveness. Unhappily, the findings did not permit a typology of the characteristics of "effective" projects. These projects were randomly located throughout the world, situated in countries of various stages of development; they varied in focus, objective, and size and had no common organizational structure or intervention strategy. An important consideration in identifying good or bad projects or good and bad project implementation is the acceptance of some standard against which individual projects might be evaluated. At this time, there are no Agency standards or norms regarding good, bad, or indifferent project implementation, nor are there any clear-cut and uniform criteria used for judging project success or failure. Another serious handicap in analyzing the factors associated with "effective" implementation or "effective" projects is the lamentable tendency of evaluations to impute single causes to events or to fail to assess the interactive effect of project activities.

All the so-called "effective" projects had implementation problems. The vast majority (96 percent) of the problems were project specific, that is, they could be attributed to errors in judgment or insufficient attention to issues by all parties concerned with the project. The three most frequently cited problems encountered by "effective" projects in order of magnitude were: inadequate project planning, poor project management, and insufficiently and unadequately trained staff. In short, "effective" projects were experiencing the same kinds of implementation problems as the sample of projects experiencing significant implementation delays.

Exogenous factors such as natural disasters, wars, political turmoil, and major shifts in the world economy were not responsible for the implementation problems these "effective" projects encountered to any significant degree.

The principal reason projects seemed to be "effective" despite implementation dilemmas, it is hypothesized from the evidence of the evaluations and audits, is because the project staff found creative ways to resolve the problems. "Effective" project managers were able to make the correct decision to take one course or another in a very unpredictable environment. They were flexible, able to accept failure, responsive to all actors associated with the project and well informed, i.e., they had good monitoring systems which was used to modify and redirect activities as the need arose.

*this, too, is
hypothesis.*

The sample of projects raises questions as to whether or not the project design process, as presently conceived, is capable of identifying the most appropriate interventions and those with the greatest chance of being sustained once the resource transfer ceases, and is worth the time and expense to develop. The design process identifies a problem and then predicts a complex chain of events based on an entangled and convoluted amalgam of analysis and pure advocacy. The resulting documents are complicated, extremely ambitious in terms of their goals, and often based on a foundation of sand. Projects that seem to be "effective" according to the variegated criteria of the evaluators were flexibly implemented. The design documents were used as a guide, not as a rigidly defined intervention strategy.

*to model
for the
design
process!*

Recommendation 1

The recommendations made in the previous investigation into poorly implemented projects are affirmed by the findings of this study. The Agency has already formed an implementation task force which has begun to address many of the recommendations made in that study which were briefly as follows:

- o The decisionmaking process in AID should be restructured to ensure that the Agency complies with its stated objectives of incorporating program- and project-level evaluation findings in the decisionmaking process, particularly with respect to initial project approval and subsequent funding of projects. Specifically, the Office of Evaluation should have the responsibility for formally reviewing and synthesizing the findings and recommendations

of all evaluations and audits and making them widely available. Agency and contract staff responsible for programs and projects evaluated should be required to report to their mission director after a specified amount of time has elapsed what actions they have taken in response to the recommendations and why. The Office of Evaluation should periodically examine if these reviews occur.

- Based on Agency decisions pursuant to the Task Force on Personnel Ceilings, AID should review its expectations concerning staff size, skills, and experience in conjunction with data on the distribution of project management responsibility (e.g., by mission, project size, and complexity, and sector) to develop an organizational structure that responds to the Agency's primary responsibilities.
- Project papers should include sound, not perfunctory, management and implementation plans, including an administrative/institutional analysis of the implementing agencies, an analysis of the financial capabilities and financing capacity of project participants, a contract and procurement analysis, and a realistic schedule for accomplishing project activities.
- Performance incentives and other techniques for strengthening contract administration should be included in all AID contracts. Mechanisms to encourage appropriate and timely contractor performance should be required, i.e., where appropriate, movement away from "time and rate" and "time and materials" contracts and toward fixed fee/fixed performance contracts with penalty features for inadequate contractor performance.
- Agency staff should be made accountable for implementation performance. In order to institutionalize accountability for project performance the following actions should be considered: 1) establishment of performance contracts for all Agency staff, concentrating first on Bureau AAs, mission directors and other mission and AID/W units and personnel that have implementation and/or implementation support

responsibilities; 2) periodic mission-level implementation reviews to identify those projects and programs with implementation problems, ways to deal with the problems and the assignment of individuals responsible for specific actions; 3) revision of the Agency personnel assignment policies to permit and encourage more staff continuity from the design through the implementation of projects.

A regular review of the entire portfolio should be carried out. It is recommended that this be done at least annually and coordinated by PPC. All projects and management units whose performance suggests serious implementation problems should be reviewed by management. The findings and recommendations of these reviews and evaluations should be closely monitored. If such investigations and follow-up monitoring actions reveal intractable problems or that the borrowers are unable or uninterested in meeting implementation requirements, the project should be terminated and the funds deobligated.

Recommendation 2

If the hypothesis that projects are "effective" because the staff have found solutions to the inevitable series of problems that creep up during the implementation process is correct, then there are several steps the Agency might consider to increase the proportion of good staff both to implement and monitor projects.

1. Change the training and experience specifications of the chief-of-party to ensure that the person knows how to manage and administer projects instead of leaving such functions to a more narrowly focused technical specialist.
2. Provide training for Agency staff that emphasizes concrete, not theoretical, examples of myriad implementation problems and ways to deal with them.
3. Seek out borrower or grantee agents and contractors that have the appropriate skills for the job. This would require a review of, for example, the performance of contractors presently used by the Agency to eliminate those with repeated records of poor performance and a revision of specifications for future contracts.

I don't believe she has made the case that our design documents are inappropriate; what she has made is an assertion.

Recommendation 3

The Agency should consider additional reforms in project design procedures. Unless the incentive structure within the Agency to get projects approved and funds obligated is changed, AID will continue to end up with inappropriate project design documents. Even if the incentive structure is not fundamentally altered in the short-term, there are several actions the Agency might consider to improve on project design and implementation and to reduce the cost of the design process. One option is to radically decrease the size of the design teams and the duration of the design process and to phase project implementation so that the first phase of a project would consist of the search for sensible interventions. Phase I would be undertaken by a small team that had control over a small fund to initiate activities. In the second phase, the project would expand those activities identified in the first phase and hire the full complement of staff. In essence, the project design document would be completed in phase I and full-scale implementation would begin in phase II. Another option is to establish an implementation review team, conversant with the latest implementation literature and experienced with project implementation, to screen all project design documents to see that the implementation procedures have been well thought out and make sense.

Recommendation 4

There are several activities the Agency might consider funding in order to get more accurate information about why some interventions work, others do not and in what circumstances, and to test hypotheses concerning project success that could not be answered by this study, i.e., is project success a function of the level of development, the type of project, the mix between public and private investments, and so forth. The least expensive approach would be to convene a panel of development experts with a breadth of experience to share their knowledge on how they resolve implementation problems and made projects work. The results of these seminars should be written up and disseminated to the field. A more expensive approach would be to instigate comparative evaluations of AID-funded projects covering a variety of sectors in a variety of countries at different levels of development. The purpose, scope, and methodology of these evaluations should be precise and the same teams should undertake the evaluations in order to determine the critical differences between good and bad projects.

where they will set up a bookshelf & collect dust

Chapter I

DIMENSIONS OF THE INVESTIGATIONS

This study was conceived as a correlary to an earlier investigation into projects experiencing significant implementation problems. In essence, it was intended to be the other side of the coin, that is, an investigation into projects that moved well through the implementation process and an explanation of their achievement.

The objective was to identify AID-funded projects that can be characterized as moving well through implementation, to isolate their characteristics, to compare them to a sample of projects identified in a previous study that experienced significant implementation problems, and to extract prescriptive guidance on managing projects in the implementation phase. Several assumptions were made based on evidence from the previous study. That evidence suggested that:

The causes of implementation delays included an overoptimistic picture of how fast implementation can occur, poor organizational arrangements, overestimation of host country willingness or capacity to comply with project objectives, inefficient contract and procurement procedures, lack of USAID management support, and poor project management and staffing.

This investigation began with the hypothesis that projects that moved well through the implementation process did not experience or had somehow overcome the problems mentioned above. The question was then asked if project teams could eliminate serious implementation problems would the projects be any more "effective" or successful than those projects which experienced serious implementation problems?

To answer this question a sample of projects that appeared to move well through the implementation phase, i.e., ran smoothly, was identified using the following criteria:

1. Projects disbursing faster than country average; (this includes numerous projects with large pipelines).
2. Projects that stayed within their budget and schedule;
3. Replicated projects;
4. Projects selected on subjective assessment of good performance.

Using the three automated information systems capable of producing project-related information: The Project Accounting Information System (PAIS), prepared by the Office of Financial Management, and the Program Budget Data System (PBDS), prepared by the Program Information Analysis Division/PPC and the Development Information System/MINISIS, a taxonomy of projects that fit these categories was identified.

Summary design and evaluative information was requested from these data banks, as had been done for the previous study, in order to determine: 1) the amount and quality of evaluative data; 2) possible reasons why projects move well through implementation; and, 3) types of projects that are well implemented. Table I-1 provides information on the number of projects identified in each of the four categories and the number for which evaluative data were available. As can be seen, from a potential sample of 933 projects only 261 projects or 28 percent of the identified sample had evaluative information stored in the data banks. Eighty-seven of the evaluated projects or 33 percent were considered "effective" by the evaluators.

Table I-1

Effective Projects: Source of Identification

Bureau	Replication		Fast Disbursement	Budget & Schedule	Subjective Assessment		Total
	Being Repl.	Replications			Bureau Selection	1978 Exercise	
Africa	31	36*	102	18**			
No. Projects those with:							
Design Data	25	22	51	-			
Evaluative Data	15	8	18	5			
Evaluated Effective	3	0	8	3		4	18
Asia	50	57	21	3	159		
No. Projects those with:							
Design Data	38	37	17	-			
Evaluative Data	36	17	9	3			
Evaluated Effective	11	4	4	2	- 2	1	24
Latin America	62	77	97	18**			
No. Projects those with:							
Design Data	49	50	68	-			
Evaluative Data	40	24	49	7			
Evaluated Effective	11	1	16	1		2	31
Near East	35	45	47	0	75		
No. Projects those with:							
Design Data	17	15	29		52		
Evaluative Data	10	4	16		22		
Evaluated Effective	5	0	6		2	1	14
TOTAL	438	397	558	60	312	8	87

*Includes two planned replications
This figure does not include Special Development Projects or Human Rights Projects.

From a cursory review of the evaluation and audit abstracts of projects that appeared to move well through implementation it became apparent almost all of them were experiencing implementation problems and many were experiencing severe implementation problems. This sample was yielding the same results as the previous investigation into poorly implemented projects. It appeared that the assumption that there was some correlation between projects that moved well through implementation and ultimate effectiveness or success was unfounded. In an attempt to isolate the key variables associated with "effective" projects, only those projects for which the evaluators attributed some degree of success were analysed. To find these projects, a key word content analysis of the evaluation and audit abstracts looking for positive adjectives was undertaken. Project success or effectiveness may be measured in various ways and the evaluations covered all of them in an indiscriminate manner. Amongst these are technical success, schedule and budget considerations, follow-on capability, impact, and the satisfaction of all parties involved. Success, in short, is a multidimensional concept and multiple measures, both objective and subjective, are used to define it. In the evaluations and audits reviewed, there was no discernible uniform success measure. Each evaluation team had a unique perspective and focus and style. Some reports were extremely positive, others used negative terms excessively, others were vague and enigmatic. As a consequence the terms success or "effective" are used interchangeably. There was no uniform success indicator used in this study: Success is measured differently by each evaluation team and a more universal, comparable attribution should not be assumed.

Criteria for Selecting Projects that Move Well through Implementation

As stated above, the sample of projects that appeared to move well through the implementation process was selected based on four criteria, three of which were defined fairly explicitly i.e., a strong indication of a workable scheme/design (projects replicated and replications), a concern with management issues (projects that stayed within their budget and schedule), and a set of projects that represented the mirror image of those projects identified in the previous study (projects disbursing funds faster than country averages). The last category consisted of projects nominated by individuals, missions, and regional bureaus. The criteria for selecting these projects are based on intangible and obscure personal judgments. (Appendix A provides a profile of the projects reviewed for this study.) Of the 97 "effective" projects

examined in detail, not one project was included in the four categories of well implemented projects, nor was one included in three of the four groups, as Table I-2 illustrates. In fact, there were only six projects identified in two categories. In other words, projects that appeared to be well implemented were not readily classifiable by this scheme; and there appeared to be no Agency norms for finding and categorizing well implemented or poorly conceived projects.

Projects Disbursing Funds Faster than Country Average

A special report was requested from the PAIS to determine average project expenditures by year of project life for each of the four regional bureaus. Assuming that most projects were designed to last about five years, it was anticipated that a review of projects expending funds faster than bureau expenditure

Table I-2
Number of Projects Found in All Categories of Well Implemented Projects

<u>Well Implemented Projects Identified by Category</u>	<u>Number of Projects</u>	<u>Percent of Total</u>
Projects included in all four categories	0*	-
Projects included in three categories	0	-
Projects included in two categories	6	7
Projects included in one category	81	93
Total Number of projects reviewed	87	100

*This overlap compares unfavorably with the previous study of projects experiencing implementation delays. In that study the taxonomy had five categories and a sample of 74 projects. No projects were included in all five categories, eight projects were included in four categories, 18 were included in three categories, 20 were included in two categories, 25 were included in one category and three were identified independently.

averages would provide some insight into what kinds of projects moved well through the implementation process and how this was accomplished. Table I-3 shows average expenditure ratios for each of the four regional bureaus according to the age of the project. As might have been anticipated the percentage of total project funds expended or average during the first year of implementation was small. More surprising, were the low average expenditures in the third year of implementation when projects should be well into the process of procuring equipment and supplies for their activities.

All projects with expenditure ratios higher than bureau averages, were included in this sample for which evaluative data were requested from the computerized data bank. A total of 267 projects in the four regional bureaus were identified. Evaluative data were available in 95 projects of which 34 were considered "effective" by the evaluation teams.

An additional report was requested from PAIS showing project expenditure ratios for each year of implementation coded according to the primary purpose of the project to find out if certain types

Table I-3

AID Project Expenditure Ratios by Region and Age
(Includes Projects Started in FY 77 through FY 81)

	1st Year% Expended	# of Projects	2nd Year% Expended	# of Projects	3rd Year% Expended	# of Projects	4th Year% Expended	# of Projects	5th Year% Expended	# of Projects
Africa	1.9%	371	10.9%	306	28.1%	187	51.1%	106	10.0%	3
Asia	1.5%	141	13.2%	110	36.0%	74	52.5%	40	0	0
LAC	5.1%	325	21.3%	270	28.8%	178	47.6%	81	10.9%	3
Near East	0.7%	146	4.7%	125	9.7%	97	19.2%	56	6.4%	2
Agency Average Expendi- ture Ratios	2.2% *	1,213	11.9%	1004	24.4%	672	39.4%	340	9.2%	8

Source: PAIS Special Report REPT:05000802, "Cumulative Expenditures Compared to Cumulative Obligations (as of 9/30/81) By Age of Project." -- By Region.

* Average includes all Agency Bureaus.

of projects disbursed funds significantly faster than others. Table I-4 presents the findings of this report.

Although there is wide variation in the number of projects in each of the nine categories, considering the complicated nature of many of the rural development projects, the large number currently being implemented, and the criticism concerning their ungainly design and unmanageable nature, it is interesting to see their expenditure rate is better than the Agency average.

Projects that Stayed Within Their Budget and Schedule

Another criterion used to try to isolate projects that moved well through the implementation process was recently terminated projects that did not deviate from their original budget and schedule. A set of such projects would satisfy two of the main concerns of managers i.e., time and budget constraints were met. The third concern that the end product was produced within the

Table I-4

AID Project Expenditure Ratios by Primary Purpose and Age
(Includes Projects Started in FY 77 through 81)

Primary Purpose	1st Year %Expended	# of Projects	2nd Year %Expended	# of Projects	3rd Year %Expended	# of Projects	4th Year %Expended	# of Projects	5th Year %Expended	# of Projects
Population	9%	50	22.3%	37	40.5%	24	59.6%	15	0	0
Rural Development	1.5%	192	14.5%	155	31.3%	114	46.2%	58	9.3%	5
Education/Human Resources	1.4%	174	11.9%	147	24.6%	98	48.4%	49	10.0%	1
Food Supply	0.8%	202	12.5%	164	28.0%	121	46.8%	65	0	0
Health	1.4%	142	9.0%	120	26.3%	79	52.2%	34	0	0
Nutrition	2.9%	34	27.1%	24	19.5%	19	56.3%	9	0	0
Other Assistance N.E.C.	5.1%	78	13.1%	68	13.2%	47	15.6%	27	0.1%	1
Purpose Category 8	0	2	12.8%	2	0	0	0	0	0	0
Selected Development Activities	2.7%	339	9.0%	282	16.5%	170	26.3%	83	100%	1
Total		1,213		1,004		672		340		8
Average Expenditure Ratio		2.2		11.9		24.4		39.4		9.2

Source: PAIS Special report REPT: D5000B02, "Cumulative Expenditures compared to Cumulative Obligations (as of 9/30/81) by Age of Project." - By Primary Purpose. Total Number of Projects Reviewed = 1,213.

budget and schedule could not be captured from any of the Agency data bases. Records are not kept on the achievement of objectives by any Agency-wide monitoring system, although attempts have been made in the past to insert the logical framework into computerized data bases to monitor the accomplishment of project objectives. The preparation of a project completion report when a project is terminated has been one of the responsibilities of project managers but the requirement has not been enforced and reports are available on a haphazard basis.

To get project specific information on time and budget parameters, another special report was requested from PAIS. It included a list of all projects completed between September 1979 and September 1981. For each project, data were requested on the life of project funding, cumulative expenditures and cumulative disbursements, the original project completion dates and the number of revised project completion date. Table I-5 summarizes this report as it applies to the four regional bureaus. With one or two exceptions all projects completed on or before the original completion date had cumulative obligations and expenditures on/or under life of project funding. Those few exceptions appear to be

Table I-5

Projects Completed Between September 1979 and September 1981:
Scheduled and Revised Completion Dates

Bureau	#Projects	#Orig. PACD	#1 Rev.	#2 Rev.	#3 Rev.	#4 Rev.	More
Africa	186	62	49	37	18	11	9
Asia	70	4	13	19	7	10	17
LAC	218	26	57	52	41	23	19
Near East	62	0	17	11	19	7	8
Total	536	92	136	119	85	51	53

projects terminated early, because the cumulated obligations and expenditures were a fraction of the anticipated total life of project funding. Of the 536 projects completed in the four regional bureaus during this period about 90 stayed within the original budget and timeframe. Because the life of project funding level is a programming figure rather than an actual number rigidly calculated to represent the cost of project activities, it is not particularly surprising so few projects stayed within the stated budget. The majority of those projects were located in Africa and Latin America; none was located in the Middle East and only four in Asia. Evaluation and audit abstracts were requested on 39 of these projects from ST/DIU. The remaining projects were excluded from the sample because of their unique nature: They were human rights projects or special (self-help) development projects. Out of the 39 projects, evaluative information was available for 15, of which six were considered "effective" by the evaluators.

In sum, 17 percent of the projects completed in a two year period were well implemented in that they satisfied two criteria of good management, the ability to accomplish proposed activities within a given time and budget, but only six projects or 1 percent were considered "effective" by the evaluators. It appeared that project design documents do not have realistic implementation schedules or budgets. Consequently, it is not particularly valuable or useful to place too much emphasis on these criteria of good management in judging project "effectiveness."

Replication List

Another criterion used to identify projects that moved well through the implementation process was replication. The assumption was made that if a project was replicated it possessed some design and/or implementation characteristics such as a technology, organizational structure, etc., that made it a candidate for being used to address the same problem elsewhere, or to fund a follow-on project. Investments made in their designs and the experience gained from implementing them might facilitate the development and implementation of subsequent projects.

At the request of the House Appropriations Committee, the Agency prepared in February 1982, a list of projects being replicated.¹ This list, which included projects initiated since

¹ The list of projects was prepared by PPC and submitted to the bureaus for confirmation and refinement. "Replication of Development Projects" Prepared in response to House Appropriations Committee Report No. 97-245, p. 37 by PPC/PDPR/PDI, 6 February 1982.

1974, included about 200 projects with a funding level of more than \$2 billion. About 80 percent of the projects were initiated in the last four years and most of those were active projects. Recognizing replication takes many forms, from the complete copy of one activity in the same or another place to the use of successful features of a project elsewhere, the following standards were used to form the sample:

1. Funding more of the original activity in the same project area;
2. Funding more of the same activity in other areas of the country;
3. Funding the same activity in another country;
4. Adapting and improving features of the original project in the same or new project areas;
5. Funding more of the original activity, under a different guise, e.g., rural roads as an element in an integrated rural development project;
6. Expanding a central or regional project to another area, country, or region;
7. Replicating an AID-funded project or portion thereof by another donor.

Table I-6 provides information for the four regional bureaus on the number of original projects and their replications. As the

Table I-6
Summary Information on Projects Being Replicated and the Replications

Bureau	No. Projects Being Replicated	No. With Design Data	No. With Evaluative Data	No. Successes	No. Replications	No. With Design Data	No. With Evaluative Data	No. Successes
LAC	62	49	40	11(18%)	77	50	24	1(.01%)
Africa	31	25	15	3(1%)	36*	22	8	0
Near East	35	17	10	5(14%)	45	15	4	0
Asia	50	38	36	11(22%)	57	37	17	4(1%)
Total	178	129	101	30(17%)	215	124	53	5(.02%)

*Includes two planned replications.

table indicates, there are 178 projects in these bureaus being replicated of which evaluative information was available on 101. Only 30 of those original projects were considered "effective" by the evaluators; That represents 17 percent of the total. There are 215 active projects (replications) incorporating some feature of these original projects. Evaluative information was available on 53 of these projects of which only five were considered "effective" by the evaluation teams. This represents 2 percent of the total. Assuming this sample of evaluated projects was representative of the remaining unevaluated projects that are replications of earlier projects, between 8-10 percent of the replications would be considered "effective. Four of these so-called "effective" projects were in Asia, one was located in Latin America, and none was located in either Africa or the Near East. What is significant about these findings is the large number of projects that were not considered originally either well-conceived or well implemented being replicated in part or wholly. Because many of the replications are relatively new projects it is too early to determine their status and the study did not permit time to investigate the design documentation to see if the new projects took precautions against repeating some of the problems associated with their predecessors.

Projects Selected on Subjective Assessment of Good Performance

In addition to the above fairly concrete criteria used to identify projects that moved well through the implementation process, an effort was made to find projects that were perceived as "effective" by individuals. This sample is not comparable amongst the four regional bureaus simply because the bureaus respond to requests for information differently.

One source for this group was the FY 1981 Portfolio Supervision Report. In preparation of this report each bureau was asked to submit a summary of the state of their portfolio including their method of supervising or monitoring implementation. The systems adopted by the four regional bureaus are different. The Asia Bureau, for example, prepares twice a year Project Implementation Reports (PIR) consisting of a one page summary of each project providing important dates, financial data, and narrative comments on objectives, components, and implementation status, plus the mission director's personnel assessment of the project. These reports are the basis for twice yearly bureau reviews of all active projects chaired by the AA/ASIA. Problems and concerns are conveyed to the missions for comment or action. The PIR dated July 1982 contained 159 projects out of which only three were assessed by the mission directors as having "severe problems." The remainder had "minor problems". The tone of the report is illustrated by the following quotes.

"Previously encountered difficulties have been addressed and implementation during the extension is anticipated to be smooth."

"At the end of the first quarter of this year, based on the annual work plan, estimated achievements were 22 percent vs. a scheduled progress rate of 25 percent. From a life of project basis, however, the progress rate is 29 percent vs. 40 percent scheduled completion. Some problems remain, especially in terms of equipment programming and scheduling. However, a more positive attitude now exists and work is expected to continue to accelerate through the coming year."

"Initial irrigation service has begun on 300 hectares. Water management and system operation TA being provided from project. Simultaneous construction underway throughout project area. Evaluation scheduled for 6/82. Principal Issues/Problems: Delayed construction now progressing well, but some facilities will not be complete by PACD. Evaluation will review current progress and make recommendations re extension." Mission director's assessment "severe problems."²

The reports deal with statistics, timing, and disbursements, are cryptic and time-specific, and appear to be based on highly individualistic assessments. They do not pay attention to the problems, issues, and processes of implementation. It is impossible for someone unfamiliar with a project, for example, to read the last quote and understand how the assessment "severe problems" was determined. Even assuming bureau management can read between the lines and take necessary actions, they were not useful for this investigation. Several project reports contradicted evaluation findings and only two out of the sample seemed good candidates as "effective" projects.

Whilst reports from the other regional bureaus used different formats their focus was also on monitoring implementation. The Near East Bureau divided its project status report into three groups: Projects with no significant implementation problems; projects which had significant problems but are now on track; and, projects in serious trouble that require attention. The group with no significant implementation problems consisted of 75 projects of which 22 had had evaluations or audits and two were

² Project Implementation Reports, Asia Bureau, 12 July 1982, pp. 4, 21, 78.

deemed "effective" by the evaluators and auditors. The Africa Bureau was in the process of putting a system together and the Latin America Bureau used a two-tiered system, country reports and a bureau-wide statement of loan status, that made it difficult to acquire and assess the data. Consequently, only two regional bureaus were used as samples for this category.

Another source used to identify "effective" projects was an exercise begun in 1978 by the Office of Evaluation to find "effective" projects. Nominations were received from the regional bureaus' technical staff, evaluation officers, and project support staff, and cables were sent to selected missions asking them to provide examples of "effective" projects. This resulted in a huge list of projects that had to be critically reviewed by the office staff. One reviewer of the responses commented on the relevance and usefulness of the exercise as follows:

"I don't know what guidance the Missions were given in determining 'successful' and 'unsuccessful' projects. I am concerned that the determination was arbitrary and capricious. I would like to see the ... exercise expanded to determine, if possible, whether there are any objective standards for classifying the selection of projects as either successful or unsuccessful, and what those standards are. I want to know whether success is measured at the output, purpose, goal level or some other way."

Once the documents on these projects were reviewed it became clear there was no criteria for success. The vast list of nominations was whittled down to six "effective" projects based on yet another subjective assessment. They are included in this sample.

Individuals working in AID/Washington were also asked to provide names of projects they considered "effective" for this study. This resulted in yet another list of projects again based on arbitrary selection criteria. Because of time constraints this selection process could not be pursued. Several of the projects from this group were, however, used to illustrate issues that came up in the investigation.

Once the sample of "effective" projects was identified it was reviewed using the same coding technique used in the previous study concerning poorly implemented projects to identify the types of implementation problems and the responsible agent for the problem. A comparison was made between projects experiencing implementation delays and those projects that moved well through the implementation process and were also "effective" to determine which factors were associated with poor project implementation,

but not with "effective" projects, which factors were associated with "effective" projects but not with poorly implemented projects, and which factors were associated with both. The objective was to extract a list of characteristics uniquely associated with "effective" projects. It should be pointed out that many of the evaluations did not discuss the issues listed on the scoring card. If there were no contracting problems, this issue was not discussed which is why the scores appear so low. A detailed analysis was made of selected projects. Information used for this analysis included all evaluations and audits, project completion reports, project files (cables, letters, memorandums, contractor reports), and interviews with individuals familiar with or responsible for parts of the project design or implementation.

As was the case with the previous evaluation, this was a paper exercise undertaken in Washington, D.C., without the benefit of the views of mission staff, host country personnel or contractors responsible for the projects.

Chapter II

THE MISSING PART OF THE EQUATION: WHAT THE DATA BASE DOES NOT TELL US

One purpose of this study was to examine AID evaluations and audits to develop evidence to demonstrate circumstances, characteristics, and processes that would facilitate effective project implementation. The data do not permit this type of analysis because evaluations, audits, and monitoring reports are not structured to permit a researcher to make sound generalizations about why and how projects are effectively implemented. In this chapter, the limitations of the data base will be discussed using evaluations of projects in Africa and Asia to illustrate the problem.

Evaluations are not Structured for Comparisons:

Evaluations differ in terms of objective, coverage, format, team composition, and organizational structure. Thus it is almost impossible to compare one with another, or to decide which opinion to believe.

Two impact evaluations of a completed rural electrification project in Asia serve to demonstrate this lack of comparability. Their methodologies were completely different: The first used unstructured, intensive interviews; the second used a formal questionnaire. Their objectives were different. The first intended: "To find out what difference electrification has made in the lives of the rural poor and what impact it has had on development" and to provide guidance to the Agency on future rural electrification programs. The second wanted to measure the impact of electricity on household living standards, changes in income, employment, and productivity as a result of the introduction of electricity and to assess the financial and institutional viability of the electric cooperatives. Not surprisingly, they did not reach the same conclusions concerning the impact of the project. The first evaluation concluded that the project was a success at the output level: Equipment and services were provided as intended in the project design, cooperative institutions were established and adequately staffed, but the impact of the project was questioned. According to the evaluation team, electricity has not had a substantial impact on agricultural production. On health and education the impact was negligible since almost none of the educational institutions used it in the evenings, and no health facility has reequipped to take advantage of electricity. The rural poor, the intended beneficiaries of the program, cannot afford to use electricity productively and place a low priority on acquiring it, below essentials such as food, clothing, and better

housing. They concluded the project was successful in meeting the physical targets but only because the central government supported it and well qualified people were available to work for the cooperatives. Without these two factors it would be difficult to replicate the project elsewhere. More importantly, they concluded that electricity must be introduced in conjunction with or after investment programs in order to have a significant impact on development. This had not happened.

The second evaluation found "clear evidence that electric lighting stimulates the educational and productive activities in households", exactly the opposite conclusion of the first group. Their surveys indicated labor saving devices were being derived from electrical appliances and the majority of the population felt electricity had "great" positive impact. In terms of output (training, communications, line construction, provision of a well-designed, low-cost electrical system) the project was successful. Here the two evaluations were in agreement. Although the data collected could not be analysed in terms of cause and effect, the evaluation team concluded the effects of electricity on housing, health, and nutrition were positive, and the beneficiaries, the rural poor, were reached. In short, this study concluded that electricity played "an instrumental role" in the development of the area by extending the operating hours of businesses, broadening the types of services provided, increasing production, stimulating new rural industries, saving labor and money and increasing efficiency. (See Appendix C for summaries of these evaluations.)

Which report should one believe? Why did the two teams agree the project had succeeded on the output level, but then disagree about whether it was fundamentally worth the effort, that is, did it really change the lives of the intended beneficiaries in some worthwhile way? As a manager in the Agency considering implementing similar projects in other settings what does one do? Before attempting to answer these questions, let's take a look at another project currently being debated in the Agency.

This integrated rural development project was designed to reflect the "New Directions" mandate. It is a complicated project consisting of numerous subcomponents which has an ultimate objective of increasing maize production. Five evaluations in a period of four years have been done on the project, two by the contractor implementing the project, two by outside consulting firms and one by A.I.D. Because it was an active project, they all attempted in some degree to measure progress towards the stated objectives. They all also examined the prospects for replicating the implementation process and sustaining project

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activities once foreign assistance was withdrawn. (See Appendix C for summaries of these evaluations.)

As was the case in the rural electrification project, these evaluation teams reached conflicting conclusions regarding the merits of the project. The first effort was made by the project contractor. It identified four constraints to achieving the objectives and provided suggestions for improvements in those areas in which the project staff and AID had some control. It then remarked:

"The major implication of these findings is that regardless of how well the project meets its own immediate objectives, it cannot achieve a large increase in agricultural production and farmer incomes in the foreseeable future. In fact, in purely economic terms the benefits likely to be derived from this project during the next ten years are much below what would be needed to obtain a positive rate of return. Although this argues against a large scale production-oriented project, the agricultural potential of the area and the needs of the rural population justify some type of development activity."

The second evaluation, done by an outside contractor, occurred when project activities were just getting started. It concluded vaguely that the project was probably contributing to the social and economic development of small farmers and that maize production was probably increasing. However, records and data were unreliable or nonexistent so any measurement of progress was difficult. Nonetheless, the evaluation team felt various components of the project were not operating in an integrated manner and that the project needed to be redesigned if the intended beneficiaries were to be reached in more than a superficial manner. Regardless of the design package, the social, economic, and political instability of the host country threatened any long-range impact and made replication of the development process elsewhere in the country problematic.

The next three evaluations took place within months of each other a year and a half later. By now project activities were well underway and it was possible to spend more time trying to measure changes that had occurred as a result of project interventions and less time on the project environment, which continue to be inhospitable. The second evaluation done by the project contractor confirmed the lack of data to help explain what had occurred since project inception, and opined the project had reduced the problems of production and created a "spirit of

confidence and optimism that encouraged the increase flow of private resources into maize production and marketing...." According to project data, maize exported from the project area increased substantially during the four years of project operation. In short, the project seemed to be doing some good and should continue regardless of the poor chances of sustainability. The AID evaluation concurred:

"the project has weathered major unforeseen and adverse acts of God and man to reach its production target ahead of schedule. Despite significant shortfalls in some expectations, the project has been almost uniquely successful in this country in generating a climate of hope among isolated rural village cultivators for sustained socio-economic development."

The project definitely "merits continued support," with some modifications, even though the question of sustainability and replicability remain uncertain. And the last evaluation, done by an outside consulting firm, concluded maize production had not increased and the project should be phased down and discontinued.

The Agency is currently reviewing these evaluations to decide whether to continue it as originally conceived, redesign it to overcome the frailties mentioned by the evaluations, or drop it. Unfortunately, no standards or frame of reference exist for making such a determination.

The last example further illustrates the problem of determining what is a good, bad, or indifferent project. The objective of this project was to help the rural poor by providing grants to U.S. and host country private and voluntary organizations (PVOs) "to assist in the creation and strengthening of small farmer associations and rural businesses." It was considered an experimental project because it provided the PVOs with the flexibility to design and execute a diversity of activities, and allowed the mission to review and fund the activities without a lengthy review process.

A "mid-term evaluation" of the project was undertaken by a team of three outside evaluators. They commented:

The project has been path-breaking, and as such has operated at times without clear precedents or policy guidelines. As a result there have been some growing pains associated with implementation, and the Mission has spent considerable time and energy in evolving additional guidelines for the project.

During implementation the economic situation in the host country sharply deteriorated. There were start-up delays in procurement, construction problems due to shortages of equipment, maintenance problems, and problems in monitoring and managing the project since, in essence, it was a series of many small projects. Despite these difficulties, the evaluators concluded the project was achieving many of its objectives. Hundreds of activities have been undertaken, organizations have been strengthened, income and employment opportunities for rural people have increased. And, according to the evaluators:

The direct beneficiaries are approximately 40,000 in number. They are members of village level organizations and their families, who are directly involved in PVO-sponsored activities. The indirect beneficiaries are some 500,000 in number who are in a geographic location near the project sites, and are thereby capable of absorbing some of the methods, skills or products generated under the project.

In short, the project was a success. It was judged to be an interesting, flexible model for allowing PVOs to develop their own subprojects within the context of general guidelines, but without the rigidity of a standardized structure or model. The team recommended that this PVO model project be extended into a second phase and be replicated elsewhere. Those recommendations together with the evaluation findings were cabled to missions throughout the continent in a memorandum from the Deputy Assistant Administrator for the region.

The evaluation findings did not reflect the opinion of the mission staff who considered the project of limited value: It was merely a conduit for a resource transfer. They were concerned the activities funded would diminish once AID funds were terminated because the indigenous PVOs being supported had developed very limited financial institutional capability to maintain them. One has to wonder how a project could be acclaimed as an example of great success and a model to be attempted elsewhere, when many associated intimately with it had reached diametrically opposed conclusions. The answer is enigmatic. In trying to put the various pieces of the puzzle together several points emerge. Firstly, the evaluation team had been provided a scope-of-work by the mission which focused on questions about the economic viability of the PVOs once foreign aid was withdrawn. The team chose not to answer specific questions posed in the scope-of-work. In other words, there was a methodological disagreement. Members of the evaluation team had interests that possibly conflicted with their appraisal of the project: One

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member was involved with the project design, others were associated with the PVOs. Furthermore, the mission wrote that they had "made little use of the results of project evaluations," because:

"in several cases the strong biases of the outside evaluators (mainly antagonistic biases) rendered the results of the evaluations unuseable. In some cases evaluators wrote complimentary evaluation reports which the Mission believes were mainly aimed at generating repeat business. Many evaluators seem to believe that Missions want to hear nothing but positive comments."¹

Secondly, mission management and the regional bureau had a vested interest in seeing the project work. It had been publically proclaimed that this was a good project which addressed the problems of working at the grassroots level with the poorest of the poor.

A number of inquiries arrived at the mission asking for the recipe for success, but before replications could be instigated throughout the continent, mission management was replaced. The new managers were convinced by those staff who had opposed the project from the beginning that it was not a well-conceived, grassroots development effort assisting viable local institutions, but a poorly thought out conduit of funds proping up shaky organizations. About the same time, an audit was done on the project which concluded "information on project success was not available." Any assessment regarding the success and replication of the project was still premature.

These three examples raise several policy questions regarding the use of evaluations that have not received sufficient attention in the Agency. Despite the great disparity of character of the evaluations and their focus -- summative or formative -- policy makers should have some criteria for judging their merit other than individualistic impressions. This should not be interpreted as a recommendation favoring a rigid ranking device. It is offered as a possible framework to aggregate several of the

¹ FY 1983 Evaluation Plan, USAID/Mission

issues that ought to be reflected upon in analyzing evaluation findings. Three issues concern the report coverage and the conclusions the teams reach on these issues: Firstly, do they provide insight or answers to implementation questions, i.e., are resources transferred, are the inputs giving the intended outputs? Secondly, do they consider the question of impact? Are the intended beneficiaries being reached? Thirdly, what are the chances of sustaining project-initiated activities once the foreign aid is terminated? The next three issues concern the evaluation team itself: Was the team objective, were the data used accurate, was the timing of the evaluation appropriate? Thus, to use the integrated rural development project as an example, the following, albeit again subjective, summary of the evaluations might be made:

Table II-1
 Assessment of the Five Evaluations of the
 Integrated Rural Development Project

Evaluation Conclusion On:	Evaluation #				
	1	2	3	4	5
1. Resource Transfer	low	low	high	high	-
2. Beneficiary Impact	low	low	high	promising	0
3. Sustainability	0	0	promising	low	0
Timing of Evaluation	-	terrible	ok	ok	ok
Accuracy of Evaluation	high	?	?	high	poor
Objectivity of Evaluation	high	high	?	ok	poor

How does all this information get weighted? For example, the second evaluation was a scheduled evaluation done to comply with the requirements of the project mid-way through implementation. It should have been postponed: The timing was terrible. Implementation had been delayed because equipment and supplies had not arrived and project activities were just getting started. What could the evaluation team look at? They concentrated on the merits of the project design, gave some interesting but not very useful impressions given the status of the project, -- the "project has elicited aspirations and expectations from the local population that far exceed the capacity of the project to fulfill." -- and quibbled alot about the scope-of-work of the evaluation which was prepared by an evaluation officer without including the views of the evaluation team. Given the hopeless timing of the evaluation what weight should a reviewer attach to their findings concerning the resource transfer, impact, and sustainability? Or take the question of accuracy. If the evaluation teams can't even agree on what data to look at or ascertain the accuracy of the data, how can an outsider believe their findings regarding impact, input-output measures or ultimately sustainability? Then there is the question of objectivity of the evaluation team. How much credence can be given to an evaluation done by the same firm that is implementing the project? What does one do when it becomes apparent from a quick review of the report that the evaluation team consists of people who are unfamiliar with the project environment or have inappropriate skills to assess project activities? How does one interpret the findings of the evaluation team that the PVO project be replicated elsewhere when many of the mission staff considered the project a failure? (Obviously, in this case, AID/Washington made a choice in recommending replication. With the advantage of hindsight, one wonder if the decision was based on sufficient information or if it was motivated by some other criteria.) Even assuming problems concerning the quality of the evaluation teams can be overcome, how does the reviewer weight the conclusions reached about the project? Hardly any project evaluated receives high marks for sustainability. How much importance should a policymaker give this criteria when deciding to put more money into the project, to drop it, or try to replicate it elsewhere?

There are no easy answers to these questions. These examples, other Agency efforts to take a "crosscut" of evaluations, and the attempts by the OECD to synthesize evaluation studies undertaken by their member nations concerning different sectoral activities²

² See, for example, Hakan Mankefors, "Synthesis of Evaluation Studies in Education and Training" SIDA, First Draft, n.d. (1982); Australian Development Assistance Bureau, "Australian Synthesis of Evaluation Studies Concerning Integrated Rural Development Activities," June 1982.

seem to indicate that a review and codification of existing evaluative documents will not provide the answers. There is really no commonality amongst the evaluations and an attempt to superimpose one is, in essence, just another subjective, however interesting interpretation. To use these findings as the basis for major policy decisions regarding where and what projects should be supported is risking misuse and waste of increasingly scarce resources.

True insight in determining critical differences between good and bad projects will only be gained when meaningful, less impressionistic and more analytical comparisons can be made. This means the same teams or at least teams composed of individuals with similar training and perspectives have to look at the same issues*; it also means they must look at a cross section of projects with similar goals and objectives to find out why an intervention works in one environment and fails in another. More practically, this requires precisely defining the criteria used for evaluations and the people selected to do them. The evaluation reports indicate signs of insufficient planning and little thought to staffing needs. The purpose, scope, and methodology of the evaluation should be clear and agreed upon by all parties concerned; staffing requirements for the team should be determined by the scope-of-work. This is not to suggest that the current evaluation methodologies and procedures should be abandoned. Formative and summative evaluations have extremely useful functions. It is just inappropriate to use them to make comparative assessments.

Evaluations do not Explain Why a Project is Working Well

Current evaluations do not answer the question why a project is working well. Evaluation teams look at their task in much the same way the average driver looks at his car: If the machine is running he doesn't question why. It is only when it breaks down that the issue comes up. As a result of this mentality, the evaluations yield the following examples of descriptive non-analytical, statements:

- There have been problems, but after discussions with all concerned parties it appears the problem can be dealt with.

*Even when evaluation teams use coded questionnaires the way the data gets coded includes a significant amount of subjective judgment which is why it is better to use the same group of people to evaluate all the projects being compared.

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- Responsibility for project administration has been transferred from x to x without any deleterious effects on project implementation.
- Inputs have been provided punctually and without major problems.
- The project purpose and goals have been successfully implemented.

Not only AID-funded projects have been evaluated in this fashion. The recent series of comparative evaluations of OECD member nation's projects, mentioned previously, arrived at a similar conclusion. These evaluations tried to review projects in terms of their ability to meet the goals and objectives they set out to accomplish as stated in the project design document. More often than not the stated goals were ambiguous or unrealistic. Even if they were succinctly stated and achieved, the evaluators didn't know why they could only make educated hunches. Only rarely were monitoring reports available to trace the history of a project. Even less frequently did the reports contain discussions about issues and problems and how they were resolved. Moreover, the evaluator's frame of reference was unilateral so elements identified in a project in one context which might indicate a successful outcome, might not necessarily produce the same results elsewhere. Obstacles in one situation are not in another. What is judged beneficial in one set of circumstances is pernicious in another.

The Agency is aware of this deficiency in the evaluation program, but has yet done little about it. After a recent review of the evaluation and monitoring systems employed by one mission, an evaluation officer commented:

Although, in the final analysis, evaluation must deal objectively with the measurement of change and impact attributable to an AID-supported activity, evaluation must also give attention to the implementation details of why, or why not, the change or impact occurred, in order to be more useful in future development planning and project design. These "why's" and "why not's" are the real test of the hypotheses implicit in AID's projects and programs, and they constitute the most crucial information for a planner or designer of a similar project directed to a similar development problem. Records that describe the emergence and resolution

(or circumvention or non-resolution) of problems during implementation are necessary for both interim and later evaluation; such records are best kept in a continuous manner by managers familiar with a project rather than being pieced together by evaluators in an attempt to recreate the history of the project. Such records are also obviously necessary for the design of future projects, because they convey critical information about how relatively successful projects had to be redesigned during implementation in order to achieve their success; the extent to which unsuccessful projects suffered merely from "poor design" but also from an inability or a failure to redesign the project in an effort to overcome or circumvent implementation handicaps; and -- in the case of that rarest of all possible outcomes -- why (specifically) a project worked perfectly in an imperfect world, and achieved its intended changes and impacts as initially designed.³

Decisions concerning the Continuation, Replication, or Cessation of Projects have little to do with whether or not the Project was or appeared to be Effective.

A human resource project in Asia is a good example of what appears to have been an extremely successful project abandoned for political reasons. This project, which began in 1967, provided for 1,357 individuals to receive technical training or advanced university training in the United States. Training projects of this type were designed to help the recipient country eliminate chronic manpower shortages in managerial and technical areas. The idea was to train the leaders who would then instigate and be capable of managing development projects and programs that would benefit the majority of the population, i.e., a "trickle-down" educational thrust. Evaluations of this project all concurred that it had played a significant role in developing the nation's capacity to administer a variety of social and economic programs because most of the people selected for training returned home afterwards to resume or take on important positions in government bureaucracies, universities, and research institutes. (One evaluation estimated that 95 percent of the participants returned home and were using their training.) The project was held in high

³ Nena Vreeland, Draft report on an African mission's evaluation and monitoring efforts.

esteem by the host government and the mission because it helped create a cadre of officials who were able to plan and implement development programs. According to another evaluation the project "proved itself to be one of the most successful human resources development projects in the history of A.I.D. Such a statement is less than modest, but is is not untrue." Despite such laudable comments, the project was terminated on 30 September 1977, four years before it was intended to end. It was a victim of changing fads and programmatic emphasis.

Members of the Senate Committee on Appropriations, Subcommittee on Foreign Assistance terminated the project because it was "not consistent with the objectives of the U.S. foreign assistance effort." The committee's attitude could be summarized in the following brief quote:

Programs which provide graduate level education for the select few detract from the innovative attempts to bring nonformal education to the many. Programs which convey prestigious degrees to those who are sufficiently trained detract from those programs designed to bring basic administrative skills directly to the people, to those who must administer the community-level programs so desperately needed in the developing world.⁴

In other words, committee members and their staff were concerned that training programs of this nature did not directly appear to address the needs of the poor majority. Furthermore, they were expensive. One opponent of the program muttered it cost more to education one foreigner at the Ph.D. level through one of these programs than to put an entire American family through college. It was also felt these programs encouraged a brain drain of the few qualified people in less developed countries to migrate to the United States.

The Agency attempted to defend the project during the appropriations hearings by pointing out that the needs of some

⁴ U.S. Congress, Senate Subcommittee of the Committee on Appropriations: Foreign Assistance and Related Programs, Appropriations for FY 1977: Hearings, pp. 688-689.

nations at some points in their development do not fit the strategy of working exclusively and directly with the poor majority. In such cases, it was better to train the trainers and try to equip "a government to handle the development tasks it faces." The mission director and the U.S. ambassador also defended the project. According to the latter: The

"greatest contribution U.S. assistance has made here is in trained manpower and in development of institutions of specialized higher learning which have made such training possible. In my view, training and inspiration of host country personnel at university level who can themselves plan, initiate, and supervise rural and village improvement is not only effective, but in terms of utilization of U.S.A.I.D. resources, the most efficient way of making a broad impact on problems of the rural poor."

But their efforts failed: This committee had a new agenda.

For several years after the project was terminated, the mission regularly recommended it be reinstated in the portfolio. The Asia Bureau never approved the request and a follow-on project is still pending.

This is a particularly sad example of the uselessness of evaluations in the overall strategy of development assistance. Everyone who reviewed the project agreed it was wonderful: It satisfied a need, it was well implemented, the beneficiaries were using their training, the host country government and the mission supported it. Only Congress felt that the philosophy upon which the project was based was inimical to the current interests of the foreign assistance program. In short, here is an example of something working and something that all knowledgeable people concerned wanted to continue that was dropped because Congress changed its focus. If there were more examples of successful development efforts this preemptory termination would be less disturbing.

An agricultural project in Africa is another example of projects being selected for replications, continuation, or cessation for reasons other than the intrinsic merit or accomplishment of the project. This project was conceived as a medium-to long-term effort to counteract the pernicious effects of the Sahelian drought from 1967-1973. Project implementation begin

in the 1975-1976 crop cycle with a commitment of \$4.67 million over a four year period to provide fertilizer and an improved extension package in order to increase millet production.

At the end of the project, an assessment of the entire U.S. assistance program was made by a team composed of AID officials and people from the host country Ministry of Planning and Cooperation. They concluded that the project design had been faulty: It had viewed the objectives of increasing millet production in isolation and had not linked the necessary project activities to the whole system which "is cutting the project off from national objectives and from other projects." One of the major parastatals involved in the production and marketing of millet had stopped buying the crop. The project continued to promote millet production without considering what was happening elsewhere in the system. Whilst the report recognized the difficulty in assessing the contribution of the project to national food self-sufficiency because of the lack of data and the long-term nature of the project, it raised the point that the cost of millet self-sufficiency, from what was known, would appear to be greater than importing it.

About the same time a final evaluation of the project was done by AID. It concluded the project did not appear to be economically viable. Although it was "not possible to measure the impact of the project on production or on the productivity of the farm unit." Before approving any follow-on activity the evaluation team recommended that objective data or project accomplishments be gathered. The mission disputed the methodology used by the evaluation team to calculate millet production and contested the evaluation findings. Using a different set of assumptions and calculations, the mission concluded the yields were double those calculated by the evaluation team. They found farmers had adopted the newly introduced high yielding millet packages, farmers' income had increased, and the institution responsible for the introduction of new extension techniques was effective. (A World Bank study the same year concluded the institution had little impact on agricultural production.) In short, the project was declared a success; a second phase of the project was approved in December 1979, providing \$7.7 million to continue the first phase and expand it into other areas.

A year later an audit was done on all AID projects in the country. That report stated millet production in the project area increased 3.2 percent in 1975-1976. Production in adjacent non-project areas where no foreign assistance had been provided increased 4.7 percent. Fertilizer usage between 1976 and 1979 (project years) was never as high as before the project began.

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There was no evidence that use of the new millet seed package was expanding, which brought into question the success of the extension institution. The audit concluded that AID had spent millions of dollars to encourage millet production and the resulting yields were actually lower than in adjacent areas where no transfer of resources had occurred. The audit recommended the AA for Africa reconsider approval of phase II.

Something had gone seriously wrong. Two separate evaluations had questioned the basic objectives of the project and doubted if it had accomplished anything. The mission did an elaborate recalculation of the project yields and a verbal reinterpretation of the original goals and concluded the purpose of phase I had been "to carry out and expand a farmer intensification program and that no one quantifiable objective was set by which to measure project impact in view of the scope of services planned for a farmer intensification program." Phase I had been a success because "the basis for increased yields had been developed..." Obviously, there were serious discrepancies in defining the objectives of phase I and in measuring whatever it accomplished, regardless of what the documents said it would do. When these issues were brought to the attention of the Africa Bureau with the advice to reconsider the project, it was too late. "It appears," the bureau responded, "that the recommendation was made without recognizing that activities in phase II had been underway in all five departments for well over a year before ... the date the audit was issued." The grant agreement had been signed, commodities had been purchased, training had started, and technical assistance contracts had been signed. To halt these activities would be difficult, at best. Instead, the mission proposed that the project objectives be closely examined, that unrealistic targets be revised, that project data be collected to measure changes in yield and that "measures for meaningful project evaluation and, if necessary, adjustment in project operations" be undertaken. That is where things stand today: The project is being implemented and is due for a mid-term evaluation in 1982.

The decision was made to continue this project because momentum favored such a decision, not because it was a stellar example of an inspired idea to resolve the problems of insufficient food production translated into an exemptory project. When there is no agreement amongst those people responsible for assessing the project as to the validity of the original design, or the project achievements, the decision to continue the investment is risky. If project planning and management are intended to reduce the chance of failure, or risk -- why would anyone sanction the continuation of such a costly investment when so little was known about what had actually

happened during the four years of project activities? Was it because of faith in the ultimate reasonableness of the idea, or the belief that the really important thing was to get something started -- get the resource transfer moving -- or was it a fraudulent representation of events? Whatever prompted the decision, it was based on ignorance and not on an attempt to reduce uncertainty before committing increasingly scarce resources.

"Lessons Learned" from Project Evaluations are not Capturing the Nature of Project Success

"Lessons learned" from project evaluations are not always capturing the nature of project success, are often based on ideological or political biases, and are of such a general nature so as not be particularly instructive.

One manifestation of this is the difficulty in getting at the more subtle effects of a project. In addition to the output of goods and services, projects, as Albert Hirshman has pointed out, have a variety of unquantifiable effects such as consciousness raising, the acquisition of skills, and development of new attitudes that give greater confidence to solve problems. He, and many other observers of the development process, have argued that these so-called "side effects" are frequently the stuff which ultimately make or break a project. They are so varied they often escape detection even when a variety of analytical tools are uniformly applied to all projects to get at them. This is because projects are unique experiences. Each has structural characteristics that are superimposed on a particular social, political, and economic environment. Although the project analyst hopes to be able to identify significant events and problems that are likely to have a significant effect on project behavior, a large number of things that occur during the history of a project are not easily predicted. They are even more difficult to classify after the fact. Many events are ambiguous. The ability to assign them a positive or negative mark requires knowledge of the country and "an awareness of the ways in which projects create entirely new openings for change." For purposes of making decisions about the continuation, replication, or cessation on projects it is probably not possible to aggregate "the various properties and probable lines of behavior of projects, as either advantages or drawbacks, benefits or costs, assets or liabilities."⁵ In other words, the "lessons learned" from other projects, at the very best, represent a conscious effort to

⁵ Albert O. Hirshman, Development Projects Observed (Washington, D.C.: The Brookings Institute, 1967), pp. 160, 186-189.

compute the actions, events, and activities that have positively and negatively influenced one unique project. They might or might not have relevance in other circumstances. At the worse, they represent advocacy of a certain approach or denegration of another.

The difficulty of identifying and analyzing the elusive, but critical, side effects of a project and extrapolating some useful "lessons learned" is illustrated by this thoughtful evaluation of a PVO project in the Middle East. The evaluation team wrote:

We have tried in the previous section titled "Goals and Achievements" to base our evaluation on facts and figures most of which came from project reports and records. However, as mentioned in the "Foreword", we do not feel that this type of program fully yields itself to the so-called empirical and statistical evaluation; its outcomes go beyond mere numbers found in business balance sheets. It is precisely for this reason, and in order to give the.... Program due evaluation, we shall present in this section our impressions, some of which are based on observations and/or interviews.

The first impression, which yet cannot be validly tested, is related to the value or status of work in this part of the world. In Western standards, especially U.S. standards, work is located on the top of the value scale; in this country as well as in a number of the Middle Eastern cultures, work has been considered rather a disvalue. Work, particularly manual work, has been considered to be beneath the dignity of a "gentleman". There are a number of socio-economic reasons behind the low status of work in this part of the world, a phenomenon that need not be discussed here. What ought to be registered here, while evaluating this Program, is that it seems to have broken the ice with regard to the traditional outlook on work. The number and type of people rushing to be trained in the different vocations, and the pride these people are showing in these different vocations, is unprecedented in the history of the country. This may be considered as a turning point in the attitudes of the people toward the value of work as such.

The second impression the Program has made upon us is the great contribution it is making, though not manifestly, toward the abolishment of the dominating traditional concepts of "charity" and "mercy". Again, like the concept of "work", these concepts have developed as a result of a number of economic and political factors, and despite their undisputed functions, they have had a number of adversaries; giving and helping on the basis of pure mercy and charity burns at both ends: it crushes the personality of the recipient and inflates the ego of the donor. It seems that the rapid growth and spread of vocational training in the country will counteract the forces that gave rise to the development of such concepts as charity and mercy.

The third impression the Program made upon us was that the development of a skill, any skill, will enable the person concerned to shift with relative ease to other skills, which in turn may produce a kind of mental dexterity as well; this will ultimately help in the economic and technological development of the nation.

The fourth striking impression one gets from this Program is the kind of self-respect and self-esteem that are developing in the personalities of the trainees. One cannot help but see the pride that is developing in these youngsters as they graduate and become their own "master"; in fact, being called a "master" constitutes in itself a revolutionary jump from practically a "nobody" state, or from being "just another number", to a "master" and "somebody" who has a recognizable status in his society.

.....

One can keep mentioning the chain of efforts produced by the Training Program on the people, whether individually or collectively, economically or socially. However, we feel that what we mentioned is enough in the way of sampling out the most important, though latent and indirect, outcomes of this innovative Program.

The evaluation concluded that the project had been a success even though it was far from achieving what it aspired to do. The team did not attempt to make universal judgments about the project that would or should be applied elsewhere. In contrast, a number of studies have tried to identify "lessons learned" from projects and to make generalizations concerning planning, design, and implementation problems. Most of these efforts arrive at conclusions that are so broad as to be neither novel, provocative, particularly useful, or even accurate. Take, for example, the list of factors associated with successful implementation which was generated by participants at a recent workshop on project implementation. They concluded:

- Implementators should own the implementation system and plans.
- Redesign flexibility is needed during implementation.
- Implementators should be prepared for partial success.
- Time and timing matter a lot.
- Donor agencies are part of the implementation problem and need to become more committed to solutions that favor the host country.

The "lessons learned" chosen from a random selection of AID project evaluations yielded equally vague statements, as is shown in the following quotes:

- Conditions under which this successful project might be replicated in another country include managerial competence within the institute, adequate financial resources within the participating organization and careful selection of skills offered and coordination with local needs.
- Site acquisition, warehouse design, construction, and storage used are interdependent and the organizations responsible for them need to coordinate.
- Construction delays are costly and justify sufficient consultant effort to avoid them.

The lists of "lessons learned" are long and illustrative of many important issues of project design and implementation. They sometimes provide some insight into the problems of project implementation and how to reduce them, but in what form are they most useful to the development community?

In June 1982, the General Accounting Office submitted a report to AID entitled "Experience -- A Potential Tool for Improving U.S. Assistance Abroad": The objective of the study was to determine:

- whether the knowledge and experience that AID gains from designing, implementing, and evaluating projects are being used in project design and implementation;
- how well the experience from other projects is being identified, recorded, and entered into the institution's memory system; and
- the extent that AID staff use, and find useful, the AID Development Information System to obtain and incorporate past experience in project design and implementation.

The report concluded there was no "comprehensive approach to identifying past experiences and using them in designing new projects." When "lessons learned" were applied to new problems it was the result of individual initiative and that there were insufficient institutional requirements to record "lessons learned" or to use them in new experiences. The solution, therefore, was to:

recommend that the Administrator require that AID staff identify, record, use, and forward to DIU lessons learned in project design and implementation. We further recommend that these requirements be supported by top AID management through the establishment of appropriate incentives.

In other words, set up yet another reporting requirement because Agency staff were not recording lessons they have learned or reflecting upon those of others. Formalize the system for identifying and passing along experiences, require that they be reviewed and the problem will be solved, seems to be the assumption of this report. They comment:

We believe that lessons learned during a project can and should be generated and recorded throughout each project for future use by others. The form in which this is done

is not as important as the fact that it is done. Further, this practice should be done in such a way as to appropriately record the pertinent information in a manner that will be useful to others.

This misses the point! The GAO report was correct in pointing out that the Agency does not have a formal, institutionalized memory bank about past successes and failures that is regularly used by staff and contractors. The Agency, as was succinctly stated in a draft response to the report,

is conscious of the need to determine the extent of utilization of lessons learned -- and we are in the process of finding the most productive ways to do this, while at the same time trying not to create processes which force documentation for its own sake.

The problem is not in setting up yet another system to record yet another set of variables to be reviewed in project design documents and evaluation exercises. The problem, which the GAO report not only ignores but states is unimportant, is what you record and how you do it. The report seems to assume that a systematic identification and recording of "lessons learned" from individual projects will yield solutions to design and implementation problems encountered by the Agency. Findings from this study indicate this is not the case. The "lessons learned" from individual projects as stated in the evaluations are often useful, often irrelevant, often highly controversial and often represent nothing more than the state-of-the-art of development thought on some issue. There are methodologically sounder ways to improve implementation.

As was stated at the beginning of this chapter, the way to find out why one intervention works and under what circumstances is to look at interventions that fail or don't work under similar circumstances. The next best thing to do using existing documentation is to look at a set of evaluations that have reasonably similar objectives, such as the impact evaluations. This has been tried by Agency staff and outsiders.⁶ It is a good first step, but should not be considered a substitute for a rigorous comparative analysis of Agency activities. Another

⁶ Richard N. Blue, "Achieving Sustainable Development Impact: A Review of the Evidence from A.I.D.'s Impact Evaluations," Mimeographed, Washington, D.C.: A.I.D.. Office of Evaluation, 2 April 1982; Charles B. Green, "AID Project Impact and Other Evaluations: Lessons to be Learned," paper prepared for the Agency for International Development, 24 September 1982.

option is to tap the vast unrecorded memory bank of those knowledgeable persons involved with past successes. This approach has been recommended by others who have studied the process by which the Agency does or does not record past experiences. In short, before the Agency attempts to make its past experience more readily available to staff and requires that it be reviewed before new projects are designed a great deal more thought needs to be given to what information should be used so as to be as widely applicable as possible and how to record and disseminate it. It is a mistake to try to glean insights from a data base in which the very nature of the methodologies employed and evaluation objectives preclude such conclusions. The "lessons learned" section of evaluations cannot be collated and summarized to serve this purpose.

Another serious handicap in analyzing the factors associated with the effectiveness of projects is the lamentable tendency of evaluations to impute single causes to events or to fail to assess the interactive effect of activities. Problems encountered during the planning and implementation of projects are described in terms of simple relationships. Consideration is rarely given to the extent change in one variable can be associated with successful implementation or to the combination of factors that taken together are most likely to cause effective project implementation. From this study and the previous investigation into significant implementation problems, it is reasonable to hypothesize that good implementation is the result of multiple factors many of which are within the control or influence of the project staff (project specific as opposed to exogenous factors.)⁷ It is possible that the eight problem areas that these studies identified do not occur independently but instead occur in clusters because of similar root causes. For example, it might be that poor planning, inadequate funding, and a bad policy setting all derive from the same causes and hence are likely to occur together. It might also be hypothesized that problems of staffing, coordination, and management are also interdependent and consequently are likely to occur at the same time. Finally, it is plausible to believe that equipment problems (often manifested in procurement delays) are associated with contractual problems. To know whether these linkages exist is of more than purely academic value. If problems do appear to occur in clusters, it should be possible to

⁷ For an example of a study that tried this approach, see David C. Murphy, et al. "Determinants of Project Success," Paper prepared for the National Aeronautics and Space Administration, 1974.

anticipate the occurrence of others when one manifests itself. Anticipation should also permit the development of more comprehensive solutions. And finally, the documentation of the clusters should provide new insights into the primary root causes of the problems.

Unfortunately, this project did not have the resources to undertake a study of linkages. Such a study would be useful and could be easily accomplished. Briefly, the problems should be scaled in terms of seriousness on a project-by-project basis. Then, some multivariate statistical technique, such as factor analysis could be carried out to determine problem clusters.

Chapter III

PATTERNS AND DETERMINANTS OF "EFFECTIVE" PROJECTS

The purpose of this chapter is to discuss the factors that appear to be associated with "effective" projects and to compare them with the factors that caused implementation delays. A review of the selected projects documented that no projects were free of implementation problems. Just as was the case of projects experiencing significant implementation delays, "effective" projects were victims of false and inappropriate assumptions about the project environment which led to inaccurate project designs. These projects were also plagued with management and financial problems, staffing inadequacies and delays in the procurement of goods and equipment. Table 1 provides a summary of the frequency distribution of problems associated with "effective" projects and the agent responsible for the problem -- AID, the host government, contractors, or others -- as identified by the evaluation and audit abstracts examined for the sample of 87 "effective" projects included in this study. (Specific details for each of the regional bureaus and for the different categories of "effective" projects are included in Appendix B, Tables 1 through 10.)

The table indicates that 96 percent of all problems associated with "effective" projects were project specific, i.e., they had something to do with the way in which the project was planned or implemented. Only four percent of the difficulties encountered by these "effective" projects were the result of exogenous factors such as natural disasters, political turmoil, or major shifts in the host country or world economy. This distribution of problems parallels the findings of the previous study. For projects experiencing significant implementation delays, 92 percent of the delays were project specific and eight percent were the result of exogenous factors.

Insufficient project planning (the cause of 22 percent of all problems), poor project management (the cause of 20 percent of all problems), and staff inexperience and inability (the cause of 18 percent of all problems) were the most serious problems associated with "effective" projects. Again, this resembles the findings of the investigation into projects experiencing significant implementation delays. In that study, poor project management (the cause of 26 percent of all delays) and inadequate project planning (the cause of 18 percent of all delays) were the two most frequently cited causes of poor implementation. They were followed by funding and financial problems (responsible for 12 percent of all delays) and staff inexperience and inability (responsible for 11 percent of all delays). The least frequently cited factor in both studies was contract arrangements (the cause of three percent of all problems in

Table III-1

Summary of Problems Identified in 87
 "Effective" AID-Funded Project Evaluation and Audit Abstracts

PROJECT FACTORS	EVALUATIONS					AUDITS					TOTAL	FACTOR AS % TOTAL ²
	AID	HOST COUNTRY	RESPONSIBLE AGENT CONTRACTOR	Other ¹	SUB-TOTAL	AID	HOST COUNTRY	RESPONSIBLE AGENT CONTRACTOR	Other ¹	SUB-TOTAL		
Planning	26	10	12	2	50	3	0	1	0	4	54	22
Staff/Experience	2	15	12	14	43	0	1	0	0	1	44	18
Funding/Finance	2	12	9	6	29	1	0	1	0	2	31	12
Coordination/Communication	1	9	3	0	13	0	1	0	0	1	14	6
Performance/Management	2	15	19	2	38	5	3	4	0	12	50	20
Equipment/Transportation	0	15	4	2	21	1	2	0	0	3	24	10
Policy	1	12	2	1	16	0	1	1	0	2	18	7
Contract	0	4	0	1	5	0	1	1	0	2	7	3
EXTERNAL FACTORS												
Political Uncertainty	0	5	0	0	5					0	5	2
Inconvenient Weather	0	4	0	0	4						4	2
TOTAL	34	101	61	28	224	10	9	8	0	27	251	100

1/ The column entitled "other" refers to factors for which the responsible agent was unclearly identified in the evaluation and audit abstracts.

2/ Figures are rounded.

both studies). Poor project coordination and communication for those projects evaluated as "effective" was the second least frequently cited problem area (responsible for six percent of project problems), followed by conflicts over policy issues which were responsible for seven percent of project problems. For projects experiencing significant implementation delays these factors were reversed: Policy issues were the cause of seven percent of all project delays and project coordination and communication problems were responsible for eight percent.

According to the evaluations and audits, the group of people responsible for the majority of problems (44 percent) encountered by these "effective" projects were the host country agencies and institutions associated with project implementation. Contractors implementing the projects were blamed for 27 percent of the problems, and AID (both AID/W and the field depending on the nature of the problem) was associated with 18 percent of the problems. It was unclear which group was the main culprit in 11 percent of the difficulties. In terms of the group blamed for implementation delays identified in the previous study, 44 percent of all delays were the result of actions taken or not taken by host country agencies responsible for project implementation, 27 percent were not attributable to any group, 15 percent were blamed on AID (both AID/W and the field), and 14 percent were implicated with the contractor.

In short, the two investigations yielded strikingly similar results. The same frequency of problems was identified in both the so-called "effective" projects and the projects with significant implementation delays, and the same group was cited most often as the agent responsible for the problem.

Beyond the identification of problems, the frequency with which different ones occur in the sample of "effective" projects and the responsible agent, it was not possible to establish other easily discernible patterns associated with "effective" projects, or to assess the magnitude and seriousness of the implementation problems from the data. These projects were randomly located throughout the world in countries at various stages of development. The variation in focus was extensive, ranging from complex integrated rural development projects to single focused PVO activities. There were no patterns in the organizational structure of the project, intervention strategy or level of complexity. Project size did not appear to be a determining factor of success, nor was age.

The main difference between the two samples appears to be that in the sample of "effective" projects the people responsible for the

project, throughout its history, found creative responses to the dilemmas and impediments that appear to plague most projects.¹

The processes of project development and implementation are based on predictions: If certain actions are taken in certain environments, certain things will occur. As William Siffin has remarked:

The design processes of technical assistance involve a subtle and complex mixture of analysis and advocacy. The person who defines a problem shapes a strategy, or creates a project must adopt a strong assertive stance; these are the goals; these are the proper purposes; they will be served by these outputs; and the outputs will be produced by these inputs within this time-frame and in this particular setting.

While a complex chain of events are predicted with some assurance, he adds,

we continue to know several things from undeniable experience: that our predictive abilities are mightily limited; that fortuity is often the most potent ingredient in our recipes of action; that outcomes frequently depend on the on-the-scene ability (and luck) to grasp and exploit fortuitous events; and that in sum our plans, proposals, and projected solutions are exercises in hopeful gaming more than anything else.²

In fact, implementation of a development project is more accurately characterized by initial ignorance and uncertainty. " A development project is not like a train trip to a ticketed destination. It is more like sailing on a ship, hopefully beyond the point where the internal rate of return becomes favorable, in the direction of a

¹ S. Paul concluded in his recent study of successful projects that all the successful projects he reviewed had problems and setbacks. What appeared to be unique about them is they were innovative in their responses and extremely precise in the interventions chosen. Samuel Paul, Managing Development Programs: The Lessons of Success (Boulder: Westview Press, 1982), p. 227.

² William J. Siffin, Administrative Problems and Integrated Rural Development, A PASITAM Design Study, (Bloomington: Indiana University, 1979), p. 2.

better and more generously endowed climate. Or, with reference to its decision pattern, it might be compared to a game of chess (chess is simpler)."³ But, as Albert Hirshman has pointed out, no one would consciously undertake a task where the risks were so high where "mere survival is a feat for the innovator," and the change of success is remote. "Hence, the only way in which we can bring our creative resources fully into play is by misjudging the nature of the task, by presenting it to ourselves as more routine, simple undemanding of genuine creativity than it will turn out to be."⁴

In essence, the projects that seemed to be effective found ways to reduce or manage uncertainty, to make relatively ordinary things happen under extraordinary circumstances. To quote Siffin again:

it is exquisitely difficult to make ordinary things work well. It is exponentially more difficult to make innovative things work at all in unstable environments, when the content and compass of the action cannot be reduced to technological means and consensually valued ends. It is cosmicly difficult to make things work well when the visions are vastly separated from the ventures by time, perspective, and understanding.⁵

Let us now turn to some examples of "effective" projects to see how the implementators made things work. A rural roads project in Africa is a typical example of what the evaluations consider a reasonably effective project. The purpose of the project, which began in 1975, was to build "feeder roads" that would complement the infrastructure needs of the large-scale integrated agricultural development projects, a multi-donor funded scheme implemented throughout the country. By the end of 1980, over 1300 miles of feeder roads were constructed, after serious implementation problems and cost overruns. The first 900 miles of road constructed cost \$15,125 per mile compared to a planned cost of \$4,000; the next 400 miles cost \$29,400 compared to an estimate of \$12,000. The cost overruns were the result of AID funding delays, the lack of government site selections, loss and breakdown of equipment, poor construction planning, and lack of suitable personnel.

³ Ibid., p. 7.

⁴ Albert O. Hirshman, Development Projects Observed (Washington, D.C.: The Brookings Institute, 1967). pp. 13, 27.

⁵ Siffin, op. cit., p. 8.

Here is what the evaluations said:

...Of the six basic assumptions upon which the project's effectiveness and its authorization were based, three of them have proven to be erroneous, thereby contributing to unexpected reduced production and increased costs. The fundamental assumption that the subject grant would be approved and authorized by August 1977 to permit equipment and spare parts purchase and availability by the December 77 start of the dry construction season, proved to be optimistic by six months. This seriously affected the three other project assumptions of (a) timely availability of all donors' contributions (b) timely delivery of new equipment and (c) timely availability of spare parts for old equipment. The delay resulted from lengthy discussions and resolution of AID/W concerns about justifications of short-spur roads of 3 miles or less and about guarantees by the host government for their budgetary support and the past and future road maintenance capability of their Ministry of Works.

The 1978 evaluation of the overall project reported that the six-month delay in AID funding of the second OPG meant that essential equipment and spare parts did not arrive until after the 1977-79 construction season.

The original three-year targets of construction of 900 miles of rural penetration roads, 120 bridges, and 7,425 culverts at a total cost of \$4 million were unrealistic. In retrospect, responsibility for the planning deficiencies rest with both the OPG and AID for (a) lack of on-site engineering expertise to review the proposal; and (b) lack of appreciation of Class IV road standards....

In short, all the problems associated with projects that failed were apparent. The difference between this project and those that continued to experience significant implementation problems throughout the life-of-the-project was the ability of the implementing agency to cope with the problems as they arose through experimental and innovative actions taken in the face of serious obstacles. Take, for example, the method of constructing roads. The initial plan was to use labor intensive methods, but shortly after the project started it became apparent that that approach was

not the optimal one because:

- The supply of unskilled labor was not constant and fluctuated with the agricultural growing season;
- The type of feeder roads constructed required considerable volume of earthwork, which, if done only manually, would require an estimated 3,600 persons for 32 weeks to complete 150 miles; and,
- The logistic and organizational problems associated with such an effort were formidable.

The method of construction was changed by the project managers to an equipment-based approach. At first the project managers attempted to acquire and rehabilitate second-hand equipment from neighboring countries. But, continuing breakdowns of this equipment combined with difficulties in obtaining spare parts prompted the managers to shift to the purchase and use of new construction equipment.

Road maintenance was another problem the project staff devoted considerable time and energy to solving. The project agreement stated that the contractor would supervise the maintenance of roads built by the project during the life-of-the project and for two years thereafter. Maintenance was to have been undertaken by an independent self-sustaining road maintenance unit funded by the government ministry of works. This didn't happen, because of the predictable lack of money and qualified people in the ministry. An annual evaluation done on the project made resolution of the road maintenance problem a condition for further funding. As a consequence, the host government allocated funds and staff to work on road maintenance. Still, institutionalization of a road maintenance capability within the ministry remained doubtful so the project staff tried another approach. As one evaluation commented, the contractor:

has been using a local labor system for maintenance over the past few years on a volunteer basis and with mixed success. They now are experimenting with a contractual approach whereby the Paramount Chief will receive a pre-established reimbursement for the appropriate manual maintenance of those feeder roads within the boundaries of his chiefdom. Payment would be made only upon inspection and approval of the works, once they are completed. Such cash payments could

subsequently either be directly redistributed to those villagers who participated in the local maintenance effort, or, could be returned to some local communal fund to finance village or other improvement projects (schools, wells, latrines, etc.).

The detailed implications and coordination of such a scheme over the long-term needed to be carefully examined. In the short-term many observers felt the scheme had a bonding effect that ensured the local people identified with the project and therefore would have a vested interest in seeing that the roads were maintained.

Many of the features that make this project interesting and fairly "effective" are shared by other "effective" projects. Take, for example, the small rural development project in the Caribbean which began in 1977. The original project proposal outlined a series of interventions, over the course of several years, in the areas of agricultural production, sanitation, health care, and nutrition. These were to be effected through the establishment of a rural development center whose staff, in conjunction with the staff of the local hospital, would work with and through already existing community organizations (community councils) in the project area. Several serious problems developed shortly after the project started which altered it significantly. Firstly, the planned alphabetization program failed because of the difficulty of establishing a suitable working relationship with the organization sponsoring the program and the lack of community response. Secondly, the health component of the project was retarded by a lack of cooperation from the hospital staff. Most importantly, however, after several months of first-hand experience the entire project staff realized that direct motivation and education through the existing community councils was a practical impossibility. Even those councils that had escaped internal control by powerful local interests intent on maintaining the status quo and, thereby their own positions of relative advantage, had not been able to avoid the effects of massive food-for-work projects undertaken as part of a drought relief effort in the area. These relief activities doubled membership in the councils, but undermined local initiative. When the relief effort was reduced several months later, the councils returned to their former size. The people had learned to wait for food to be given to them and the rural development project was neither prepared nor disposed to provide it.

As a result of these problems the project switched its focus away from the community councils to organizing peasants into small groups which would concentrate their energies on income producing activities. In addition to income generation a more ephemeral

purpose of the groups was to expand the peasant's vision of development and his role in it. In essence the project was redesigned to better fit the needs of the community and the local setting. The groups were based on a natural unit, a group of people who knew and trusted each other and probably already had some experience in working together. Each group was an independent body which would decide its own course of action. Its only appropriate function would be investment in revenue-generating projects.

One of the most interesting aspects of this project is the managers philosophically accepted the idea that projects inevitably encountered some degree of failure and that this one would be no exception. As one evaluation commented:

About 10 percent of the groups disbanded after forming. Of these, half broke up before undertaking any project, the other half after a project (usually just one) has begun. The project director and staff do not see this rate of group dissolution as problematic. Their basic approach of indirect intervention and extensive scope over an extremely large project area necessarily lead to a fairly high rate of "failure". In the long run, they argue, the absolute magnitude of successes justified these initial losses. Much as a farmer broadcasts seeds, but only takes care of those which sprout, the project sees its task as planting an idea, and then concerning itself with those who choose to act upon it.

In this project, failures were as actively pursued as successes because it was felt this would enhance the "group movement". Mistakes made by one group would not be repeated and effective strategies could be replicated.

As was the case in the rural roads project, the "success" of this project seemed to hinge on the project staff. The evaluations stated:

No major operational decisions are taken without prior discussion and consultation on the part of the staff. The agents, in particular, are recognized as being in the best position to be able to judge the project's progress and its problems. Their input, at all levels of administration and program planning, is solicited and weighed extremely carefully before any decision is taken. Weekly staff meetings have been established expressly for this purpose.

This system has a salutary effect on the project in two distinct ways. First, of course, it makes for an alert, active and responsible staff; their dedication reinforced by the fact that they and their ideas play an internal and essential role in aspects of the project. Second, and perhaps even more important, since it is actually the case that, being in the field on a regular basis, they do in fact command more and better information about the project's impact on its target group than anyone else involved, their inputs provide a realistic base upon which to build project planning and orientation. The built-in flexibility of the entire project, and its success as an overall strategy, are ultimately underwritten by the feedback available through the field staff.

What appears to be most interesting about these examples of "effective" development interventions is that most of them had to be modified after the project began to more appropriately fit the setting. The original design of the Caribbean project was ill-conceived and had to be changed before things began to work. Many of the assumptions upon which the rural roads project were based were faulty; Steps had to be taken to find alternative solutions to problems in order for the project to have any long-term benefits. It would appear from the frequency of problems associated with the planning and design phase of a project that a major failure of so many projects lies in a blind tendency to standardize interventions. The converse also appears to be true: Projects that are "effective" have flexibility. Projects that appear to be "effective" are also well managed. The data base does not disclose the various management strategies attempted by project staff, but several management issues are clear. Firstly, and this seems trite to mention, the project staff responsible for well implemented projects are aware of the problems associated with administering projects and have some skills in that area. They are, for example, aware that the design document should be viewed as a guide, not a blueprint, that the agendas of the various actors involved in the project -- host country officials, donor agency officials, beneficiaries, and the contractors -- are often fundamentally different, and that there are few incentives to make the thing work. Secondly, good managers are not easy to find and do not automatically come out of some management training school. The good ones are not like the stereotypic development managers specified in most project documents who rarely have the background

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and training to adequately deal with the everyday common management problems that arise.⁶ These managers were not autocratic creatures who placed a premium on maintaining order and following rules. They did not function in a vacuum, but involved the various actors in the project in decisionmaking. And, perhaps most importantly, they knew what was going on at all times, i.e., they had a good monitoring system that provided feedback on project activities and used it to modify and redirect activities as the need arose.

In closing, the sample of projects indicate that projects are "effective" in large part because they have good people managing them. "Effective" projects seem not to be burdened with awkward contractual arrangements and seem to have found ways to coordinate the various activities and actors. In essence, both these issues are subsets of the management concerns so the finding is not particularly surprising. An important dimension of good management appears to be the ability to take unrealistic or poorly defined ideas and objectives set by planners and redefine them so they are appropriate to the setting. The data do not permit conclusions about the type of setting that is most conducive to "effective" projects. However, the virtual absence of comments about the host country suggests that "effective" projects occurred where the host country environment was not excessively hostile or inimical to project objectives and where the government supported the idea.

⁶ For a detailed discussion of project managers and their shortcomings, see Elliott R. Morss and David Gow, editors, Nine Critical Problems of Implementing Rural Development Projects (Boulder: Westview Press, forthcoming), Chapter 9.

Chapter IV

CONCLUSIONS AND RECOMMENDATIONS

Although it is probable that most knowledgeable observers of the present and historical portfolio of AID-funded projects would agree on what are outstanding performers, there are no clear cut and uniform Agency criteria concerning success or failure against which a project's performance could be measured. The factors associated with "effective" projects identified by this study should be treated with a certain amount of skepticism and should not be regarded as the most important reasons for success or failure because of the faulty nature of the data base. There is the possibility that these success measures merely represent areas of investigation that were ignored by the evaluation teams or their ignorance of the project environment.

The results of this investigation do not permit an easy typology of characteristics of "effective" projects. They do permit, however, the dismissal of several hypotheses. The disbursement rate of project funds is not an indicator of project success. Projects that stay within their budget and schedule, are not necessarily successful nor are projects that appear to be based on a workable scheme or design, i.e., replications. In other words, the standard indicators used by the Agency to monitor the physical progress of projects do not tell managers if the projects are "effective". Notwithstanding, they provide information on implementation status, and are pretty reliable signals of problems. For example, a project with a significant portion of funds remaining undisbursed by the third or fourth year of implementation is probably encountering implementation problems, but the reverse does not signal the absence of problems. A project which has disbursed its monies faster than the intended schedule is not necessarily an "effective" project. Indicators used to monitor project implementation should not be taken as proxies for success or failure and this has often been confused by the evaluators.

No projects reviewed in this investigation were free of implementation problems. In fact, the frequency distribution of problems was precisely the same for this sample as for the sample of projects experiencing significant implementation problems which were the subject of an earlier investigation. The vast majority of the problems (96 percent) were project specific and were not the consequence of events over which the project staff had ~~any~~ no control such as inclement weather. The three most frequently cited problems encountered by these so-called "effective" projects were, in order of magnitude: inadequate project planning, poor project management, insufficiently and inappropriately trained

staff. In short, "effective" projects were experiencing the same kinds of implementation problems as the comparable example of low performers. This would appear to confirm findings made in the earlier study that project implementation performance will not improve until the steps already initiated by the Administrator to place a priority on good implementation and provide incentives to Agency staff and contractors to improve implementation are institutionalized. In short, the recommendations made in the previous investigation into poorly implemented projects appear to be affirmed by this study. They are as follows:.

Recommendation 1

- The decisionmaking process in AID should be restructured to ensure that the agency complies with its stated objectives of incorporating program- and project-level evaluation findings in the decisionmaking process, particularly with respect to initial project approval and subsequent funding of projects. Specifically, the Office of Evaluation should have the responsibility for formally reviewing and synthesizing the findings and recommendations of all evaluations and audits and making them widely available. Agency and contract staff responsible for programs and projects evaluated should be required to report to their mission director after a specified amount of time has elapsed what actions they have taken in response to the recommendations and why. The Office of Evaluation should periodically examine if these reviews occur.
- Based on Agency decisions pursuant to the Task Force on Personnel Ceilings, AID should review its expectations concerning staff size, skills, and experience in conjunction with data on the distribution of project management responsibility (e.g., by mission, project size, and complexity, and sector) to develop an organizational structure that responds to the Agency's primary responsibilities.
- Project papers should include sound, not perfunctory, management and implementation plans, including an administrative/institutional analysis of the implementing agencies, an analysis of the financial capabilities and financing capacity of project

participants, a contract and procurement analysis, and a realistic schedule for accomplishing project activities.

- Performance incentives and other techniques for strengthening contract administration should be included in all AID contracts. Mechanisms to encourage appropriate and timely contractor performance should be required, i.e., where appropriate, movement away from "time and rate" and "time and materials" contracts and toward fixed fee/fixed performance contracts with penalty features for inadequate contractor performance.
- Agency staff should be made accountable for implementation performance. In order to institutionalize accountability for project performance the following actions should be considered: 1) establishment of performance contracts for all Agency staff, concentrating first on Bureau AAs, mission directors and other mission and AID/W units and personnel that have implementation and/or implementation support responsibilities; 2) periodic mission-level implementation reviews to identify those projects and programs with implementation problems, ways to deal with the problems and the assignment of individuals responsible for specific actions; 3) revision of the Agency personnel assignment policies to permit and encourage more staff continuity from the design through the implementation of projects.
- A regular review of the entire portfolio should be carried out. It is recommended that this be done at least annually and coordinated by PPC. All projects and management units whose performance suggests serious implementation problems should be reviewed by management. The findings and recommendations of these reviews and evaluations should be closely monitored. If such investigations and follow-up monitoring actions reveal intractable problems or that the borrowers are unable or uninterested in meeting implementation requirements, the project should be terminated and the funds deobligated.

The principal reason projects are "effective" despite numerous implementation problems, it is hypothesized, is because the project staff found creative ways to resolve the problems. Projects seemed to work when there were good people associated with them. This finding, while not particularly startling, has implications for the way the Agency selects and trains its staff and chooses borrower or grantee agents and contractors. A major impediment to getting the appropriate mix of qualified people to work on projects is that project design documents often specify inappropriate educational requirements, skills, and experience for the implementation staff. These personnel specifications are unrealistic and expose the project to great risk. It is not uncommon, for example, for the specification for a chief-of-party for a rural, preventative health project to require a medical doctor, with 10-15 years experience in the field and the ability to speak the dominant language of the host country. In all likelihood a person possessing that combination of training and experience would be reasonably advanced in his career and not particularly thrilled about going to some remote setting and possibly sacrificing his professional standing at home. Even if such a person were available, it is not clear that such a combination of training and experience would be the best choice to run the project. The chief-of-party of a project needs to know how to manage: He doesn't need advanced training in one of the technical fields in which the project is working.

It would appear from a perusal of the evaluations and audits of projects that worked well that the staff possessed additional less tangible management talents. They tended to be people capable of working with large bureaucracies, with all the frustrations and delays that entails. They were, for the most part, people oriented. And lastly, they were able to make sensible decisions when surrounded by a great deal of uncertainty, i.e., they were flexible and used good judgment.

Recommendation 2

If the hypothesis that projects are "effective" because the staff have found solutions to the inevitable series of problems that creep up during the implementation process is correct, then there are several steps the Agency might consider to increase the proportion of good staff both to implement and monitor projects.

1. Change the training and experience specifications of the chief-of-party to ensure that the person knows how to manage and administer projects instead of leaving such functions to a more narrowly focused technical specialist.

2. Provide training for Agency staff that emphasizes concrete, not theoretical, examples of myriad implementation problems and ways to deal with them.
3. Seek out borrower or grantee agents and contractors that have the appropriate skills for the job. This would require a review of, for example, the performance of contractors presently used by the Agency to eliminate those with repeated records of poor performance and a revision of specifications for future contracts.

One of the main reasons projects are so badly managed is because the project environment is shrouded with uncertainty and most project managers and officers are not equipped to operate effectively on partial knowledge. The ability to cope with uncertainty takes more than standard management skills; it takes a certain amount of creative resourcefulness. As some knowledgeable development theorists have suggested, it is not really possible to capture the nature of this creativity. Perhaps this is true. Nonetheless, an understanding of the rationale upon which apparently successful decisions are made by project managers to take one course or another in this very unpredictable setting would help others identify significant events and problems likely to mark a project path and find alternative ways to cope with them.

While the quality of project staff is pivotal to project effectiveness, these case studies and the sample of projects with significant implementation problems suggest that the reason most projects encounter problems is because they were poorly conceived. The whole design process has built in assurances of administrative problems as Siffin's somewhat colorful analysis of the issue portrays:

'The separation of design from implementation is one of the primordial sources of administrative problems in development efforts. Ideal objectives are formulated in high places, and fecund innovation is expoused by well-intended analytical eunuchs, whose paper babies are supposed to be spurred into constructive life by others, others whose acceptance of the mandate does not assure achievement of the intention (or even full commitment of the task).¹

¹ Siffin, Administrative Problems, p. 8.

Some changes in incentives and procedures needed to improve upon the planning process were discussed in detail in the earlier study. This investigation into "effective" projects raises further questions regarding the design process. It seems extremely unlikely that a design team composed of people with various technical skills hopefully relevant to problems the proposed project intends to address, can in a period of six or eight weeks come up with ideas that increase the income of the target population. They can and do identify problems that negatively effect income generating activities, e.g., there are no roads so the farmers cannot get their produce to a potential market. They can and do collect a lot of interesting data concerning the project area and target population. And they can and do make calculations on the rate of return of y interventions in x setting. This formula is not realistic: Those projects that seemed to be "effective" frequently redesign the focus of the project or some aspect of it. Again, this is not a particularly startling observation, but it too raises several policy issues that have not received sufficient attention in the Agency.

It costs a great deal of money to design AID projects as they are presently defined. Is this a sound investment? This study does not provide facile answers to the question, but it does suggest that most projects as they are originally conceived are not succeeding in attaining their objectives. The design documents are complex, extremely ambitious in terms of their goals, and often based on a foundation of sand. They are increasingly located in settings that a romantic would describe as rustic and remote and in realistic would called inaccessible. The worst consequence of this process is that project implementation teams end up with projects that are located in some place that takes days to get to under the most inhospitable conditions so the only communication with outside organizations is by radio or telegraph, and with a mandate to do something that is either tangentially relevant or one that needs considerable modifications to fit the setting. In short, projects that seem to be "effective" use the project design document as a guide not as a rigidly defined intervention strategy. The previous investigation into projects with significant implementation problems concluded that project designers did not sufficiently recognize that their ideas had to be administered and suggested some ways to improve implementation.

This study confirms that, but goes a step beyond. It raises questions as to whether or not the design process, as presently conceived, is capable of identifying the most appropriate interventions and is worth the current expenditure of organizational resources.

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Recommendation 3

The Agency should consider additional reforms in project design procedures. Unless the incentive structure within the Agency to get projects approved and funds obligated is changed, AID will continue to end up with inappropriate project design documents. Even if the incentive structure is not fundamentally altered in the short-term, there are several actions the Agency might consider to improve on project design and implementation and to reduce the cost of the design process. One option is to radically decrease the size of the design teams and the duration of the design process and to phase project implementation so that the first phase of a project would consist of the search for sensible interventions. Phase I would be undertaken by a small team that had control over a small fund to initiate activities. In the second phase, the project would expand those activities identified in the first phase and hire the full complement of staff. In essence, the project design document would be completed in phase I and full-scale implementation would begin in phase II. Another option is to establish an implementation review team, conversant with the latest implementation literature and experienced with project implementation, to screen all project design documents to see that the implementation procedures have been well thought out and make sense.

A number of questions concerning project implementation could not be answered by this study primarily because the Agency evaluation system is not structured for a comparison of projects and programs. Moreover, evaluations do not focus on questions of how things work and how problems are resolved. In effect, the answers to the questions this investigation posed could not be gleaned from the evaluations.

Recommendation 4

There are several activities the Agency might consider funding in order to get more accurate information about why some interventions work, others do not and in what circumstances, and to test hypotheses concerning project success that could not be answered by this study, i.e., is project success a function of the level of development, the type of project, the mix between public and private investments, and so forth. The least expensive approach would be to convene a panel of development experts with a breadth of experience to share their knowledge on how they resolve implementation problems and made projects work. The results of these seminars should be written up and disseminated to the field. A more expensive approach would be to instigate comparative evaluations of AID-funded projects covering a variety

of sectors in a variety of countries at different levels of development. The purpose, scope, and methodology of these evaluations should be precise and the same teams should undertake the evaluations in order to determine the critical differences between good and bad projects.

Appendix A
Profile of "Effective" Projects

Appendix A
Profile of Effective Projects

<u>Country</u>	<u>Project Name</u>	<u>Project #</u>	<u>LOP(\$Mill)</u>	<u>Start Date</u>	<u>End Date</u>
I. Replication List					
A. <u>Projects Being Replicated</u>					
Costa Rica	Conservation Ed. (OPG)	5150142	0.2	78	80
Bolivia	Rural Electrification	5110046	11.8	73	79
El Salvador	Fundamental Ed & Skills Trng	5190170	0.4	76	79
Haiti	Family Planning	5210071	1.0	75	79
Haiti	Gros Morne Rural Dev. (OPG)	5210081	0.1	77	81
Honduras	Ag Sector Program	5220100	11.8	74	80
Honduras	Municipal Dev.	-	4.0	74	79
Panama	Education Dev. & Implemen.	5250127	1.1	67	76
Paraguay	Small Farmer Dev.	5260113	3.0	75	79
Jamaica	Inland Fisheries Dev.	5320038.01	-	76	80
ROCAP & LA Reg.	Small Farmer Cropping Sys.	5960064	1.6	75	80
Kenya	Blindness Prevention	6150173	1.2	76	80
Sahel Reg.	Reg. Food Crop Protection	6250916	4.1	75	82
Upper Volta	Rural Ent. Dev.	6860219	0.6	77	81
Asia Reg.	Reg. Ed. Dev.	4980198.03	-	66	84
Asia Reg.	Ag. Dev. Council	4980021	1.0	74	79
Indonesia	General Part. Training	4970183	13.7	76	79
Indonesia	Citanduy Basin Dev.	4970245	12.5	76	82
Indonesia	PVO Co-Financing	4970225	5.2		
Philippines	Bicol River Basin Dev.	4920260	2.0	73	80
Philippines	Local Dev.	4920256	5.6	73	80
Philippines	Rural Electrification Coops	4920189	3.6	68	75
Philippines	General Part. Training	4920237	0.5	68	79
Bangladesh	Food for Work	3889917	2.4	76	84
Pakistan	Malaria Eradication	3910139	22.3	63	73
Lebanon	YMCA Vocation Trng	2680309	1.6	78	81
Lebanon	Save the Children Fed.				
	Ag. Rehabilitation	2680314	3.9	77	81
Yemen	Trng for Dev.	2790020	2.4	73	81
Morocco	Nutrition Ed.	6080123	0.5	75	79
Egypt	Strengthening Rural Health	2630015	7.8	82	85

Appendix A cont.

<u>Country</u>	<u>Project Name</u>	<u>Project #</u>	<u>LOP(\$Mill)</u>	<u>Start Date</u>	<u>End Date</u>
I. <u>Replication List</u>					
B. <u>Replications</u>					
Bolivia	Rural Electrification II	5110049	16.7	74	80
Philippines	Bicol Integ. Rural Dev.	4920303	2.3	78	82
Philippines	Rural Electrification IV	4920306	20.0	76	81
Pakistan	On-Farm Water Management	3910413	8.4	76	81
Pakistan	Malaria Control	3910424	24.0	75	81
II. <u>Projects Disbursing Faster than Country Average</u>					
Chile	Multisectoral Community Dev.	5130316	0.1	79	80
Chile	Child Recuperation Centers Eval/Trng	5130305	0.32	77	80
Chile	Mapuche Livestock Dev. Ass.	5130310	0.28	78	81
Chile	School-Family Garden Coop.	5130314	0.2	79	80
Costa Rica	OEF/FOV	5150140	0.37	77	80
Costa Rica	Conservation Ed.	5150142	0.24	78	80
Dominican Republic	Inland Fisheries	5170123	0.16	78	82
El Salvador	Sm. Enterprise Dev.	5190197	0.5	78	82
Haiti	Gros Morne Rural Dev.	5120081	0.1	77	81
Nicaragua	OPG Fund Diversification	5240156	0.5	78	79
Paraguay	Vocation Institute	5260507	0.1	77	79
Paraguay	Community Services	5260506	0.12	77	80
Paraguay	Indian Settlements	5260120	0.46	78	82
Peru	Use of Treated Effluent for Irrigation	5270150	0.22	77	81
Peru	Improved Feeding Capability	5270180	0.16	78	80
Uruguay	Credit Union Dev. Prog.	5280106	0.2	77	80
Jordan	Water Management Tech.	2780192	1.3	78	82
Lebanon	YMCA Vocational Trng.	2680309	0.2	78	81
Morocco	Rural African Ed. Center	6080158	0.1	79	82
Tunisia	Science & Tech. Dev.	6640300	2.1	78	82
Tunisia	Family Planning Services	6640295	4.5	79	82
Tunisia	Small Farmer Supervised Credit	6640302	6.9	79	83
Bangladesh	Agricultural Inputs	3880035	27.5	77	81
Bangladesh	Fertilizer Distribution Improvement	3880024	150.	78	85

Appendix A cont.

<u>Country</u>	<u>Project Name</u>	<u>Project #</u>	<u>LOP(\$M111)</u>	<u>Start Date</u>	<u>End Date</u>
<u>II. Projects Disbursing Faster than Country Average</u>					
Bangladesh	Fertilizer Storage	3880030	5.3	77	81
Philippines	Rural Electrification	4920321	8.4	78	
Af. Reg.	Onchocerciasis Control	6980399	6.8	77	86
Cameroon	Transcameroon RR III	6310011	7.5	78	81
C.A.R.	Fish Culture Ext.	6760004	0.1	77	80
Kenya	FFP Rural Enterprise Dev.	6150174	0.36	77	81
Kenya	Increase Employm./Income Prod.	6150184	0.5	78	82
Lesotho	Cottage Mohair Industry	6320209	0.5	78	81
Sierra Leone	Rural Penetration Roads II	6360111	4.0	78	80
Upper Volta	Rural Enterprise Dev.	6860219	0.6	77	81
<u>III. Projects that Stayed Within Budget & Schedule</u>					
Indonesia	General Participant Trng.	4970183	13.7	76	79
Indonesia	Kabupaten Planning & Mgmt. Trng.	4970237	0.47	77	80
Uruguay	Credit Union Dev. Prog.	5280106	0.2	77	80
Cameroon	Transcameroon RR III	6130011	7.5	78	81
Botswana	S. Africa Dev. Personnel & Trng.	6330030	2.5	72	80
Sierra Leone	Rural Penetration Roads II	6360111	4.0	78	80
<u>IV. Projects Selected on Subjective Assessment of Good Performance</u>					
<u>A. Portfolio Supervision Report</u>					
N.E. Reg.	AMIDEAST Human Resource Dev.	2980147	4.7	78	83
Bahrain	Development Adm.	2310001	1.1	76	82
<u>B. Project Implementation Report</u>					
Indonesia	Malaria Control	4970239	24.4	75	82
Indonesia	Aq. Fd. for Dev.	4970260	5.5	76	82
<u>C. 1978 Exercise</u>					
Chad	Acacia Albida Expansion Project	6770008	1.1	78	79
Kenya	Kitale Maize				
Nigeria	Small Industries				
Tanzania	Audio Cassette Listening Program				
Indonesia	Population Program				
Guatemala	Basic Village Education	5200228	1.3	75	81
Yemen	Rural Water Supply Project				

Appendix B

Problems Identified in "Effective" Projects

Appendix B

Table 1*

Problems Identified in Evaluation and Audit Abstracts:
Summary of Projects that Stayed Within Schedule and Budget

PROJECT FACTORS	EVALUATIONS					AUDITS				
	AID	HOST COUNTRY	RESPONSIBLE AGENT CONTRACTOR	OTHER **	TOTAL	AID	HOST COUNTRY	RESPONSIBLE AGENT CONTRACTOR	OTHER	TOTAL
Planning	2	3	2	0	7					
Staff/Experience	0	3	1	3	7					
Funding/Finance	1	3	1	1	6					
Coordination/ Communication	-	-	-	-	0					
Performance/ Management	0	4	1	1	6					
Equipment/ Transportation	0	2	0	0	2					
Policy	0	2	0	0	2					
Contract	0	0	0	1	1					
EXTERNAL FACTORS										
					0					

*Problems identified in Tables 1 through 10 reflect the author's interpretation of evaluation and audit abstracts. By the nature of the abstracts and the method of review they are subjective interpretations.

**In this category the agent responsible for the problem was not clearly identified.

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Table 2

Problems Identified in Evaluation and Audit Abstracts:
Latin America Bureau Projects that Stayed Within Schedule and Budget

PROJECT FACTORS	EVALUATIONS					AUDITS				
	AID	RESPONSIBLE AGENT HOST COUNTRY	RESPONSIBLE AGENT CONTRACTOR	OTHER	TOTAL	AID	RESPONSIBLE AGENT HOST COUNTRY	RESPONSIBLE AGENT CONTRACTOR	OTHER	TOTAL
Planning					0					
Staff/Experience					0					
Funding/Finance		1			1					
Coordination/ Communication					0					
Performance/ Management					3					
Equipment/ Transportation					0					
Policy		1			1					
Contract					0					
EXTERNAL FACTORS										

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Table 3

Problems Identified in Evaluation and Audit Abstracts:
Asia Bureau Projects that Stayed Within Schedule and Budget

PROJECT FACTORS	EVALUATIONS					AUDITS				
	AID	HOST COUNTRY	RESPONSIBLE AGENT CONTRACTOR	OTHER	TOTAL	AID	HOST COUNTRY	RESPONSIBLE AGENT CONTRACTOR	OTHER	TOTAL
Planning		1			1					
Staff/Experience		2		2	4					
Funding/Finance		1			1					
Coordination/ Communication					0					
Performance/ Management		2			2					
Equipment/ Transportation					0					
Policy					0					
Contract					0					
EXTERNAL FACTORS					0					
					0					

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Table 4

Problems Identified in Evaluation and Audit Abstracts:
Africa Bureau Projects that Stayed Within Schedule and Budget

PROJECT FACTORS	EVALUATIONS					AUDITS				
	AID	HOST COUNTRY	RESPONSIBLE AGENT CONTRACTOR	OTHER	TOTAL	AID	HOST COUNTRY	RESPONSIBLE AGENT CONTRACTOR	OTHER	TOTAL
Planning	2	1	2		5					
Staff/Experience		1	1	1	3					
Funding/Finance	1	1	1	1	4					
Coordination/ Communication					0					
Performance/ Management		2	1	1	4					
Equipment/ Transportation		2			2					
Policy		1			1					
Contract				1	1					
EXTERNAL FACTORS										
					0					

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Table 5

Problems Identified in Evaluation and Audit Abstracts:
Summary of Projects Being Replicated

PROJECT FACTORS	EVALUATIONS					AUDITS				
	AID	HOST COUNTRY	RESPONSIBLE AGENT CONTRACTOR	OTHER	TOTAL	AID	HOST COUNTRY	RESPONSIBLE AGENT CONTRACTOR	OTHER	TOTAL
Planning	16	4	1	1	22	1	0	0	0	1
Staff/Experience	2	8	4	8	22					
Funding/Finance	1	4	1	3	9	0	0	0	0	0
Coordination/ Communication	1	6	1	0	8	0	1	0	0	1
Performance/ Management	1	7	6	1	15	2	2	2	0	6
Equipment/ Transportation	0	6	2	1	9	0	1	0	0	1
Policy	1	6	1	1	9	0	1	0	0	1
Contract	0	1	0	0	1	0	1	0	0	1
EXTERNAL FACTORS										
Political Uncertainty		3			3					0
Inclement Weather		2			2					

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Table 6

Problems Identified in Evaluation and Audit Abstracts:
Summary of Fast Disbursing Projects

PROJECT FACTORS	EVALUATIONS					AUDITS				
	AID	HOST COUNTRY	CONTRACTOR	OTHER	TOTAL	AID	HOST COUNTRY	CONTRACTOR	OTHER	TOTAL
Planning	8	2	9	1	20	2	0	1	0	3
Staff/Experience	0	2	4	2	8	0	1	0	0	1
Funding/Finance	0	4	6	1	11	1	0	1	0	2
Coordination/ Communication	0	2	2	0	4	-				0
Performance/ Management	0	2	10	0	12	2	0	1	0	3
Equipment/ Transportation	0	7	2	0	9	1	1	0	0	2
Policy	0	4	1	0	5					0
Contract	0	3	0	0	3	0	0	1	0	1
EXTERNAL FACTORS										
Political Uncertainty	2				2					
Inclement Weather	2				2					
					4					

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Table 7

Problems Identified in Evaluation and Audit Abstracts:
Africa Bureau Fast Disbursing Projects

PROJECT FACTORS	EVALUATIONS RESPONSIBLE AGENT					AUDITS RESPONSIBLE AGENT				
	AID	HOST COUNTRY	CONTRACTOR	OTHER	TOTAL	AID	HOST COUNTRY	CONTRACTOR	OTHER	TOTAL
Planning	3		2		5					
Staff/Experience		1			1					
Funding/Finance		1	1	1	3					
Coordination/ Communication		1	1		2					
Performance/ Management		1	2		3					
Equipment/ Transportation		2			2					
Policy		2			2					
Contract		1			1					
EXTERNAL FACTORS										
Political Uncertainty		1			1					

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Table 8

Problems Identified in Evaluation and Audit Abstracts:
Asia Bureau Fast Disbursing Projects

PROJECT FACTORS	EVALUATIONS					AUDITS				
	AID	HOST COUNTRY	CONTRACTOR	OTHER	TOTAL	AID	HOST COUNTRY	CONTRACTOR	OTHER	TOTAL
Planning	2		2		4					0
Staff/Experience			1		1					0
Funding/Finance			1		1			1		1
Coordination/ Communication		1			1					0
Performance/ Management		1	3		4	1		1		2
Equipment/ Transportation		2	1		3					0
Policy					0					0
Contract		2			2					0
EXTERNAL FACTORS										
Incllement Weather		1			1					0

Appendix B

Table 9

Problems Identified in Evaluation and Audit Abstracts:
Latin America Bureau Fast Disbursing Projects

PROJECT FACTORS	EVALUATIONS RESPONSIBLE AGENT					AUDITS RESPONSIBLE AGENT				
	AID	HOST COUNTRY	CONTRACTOR	OTHER	TOTAL	AID	HOST COUNTRY	CONTRACTOR	OTHER	TOTAL
Planning	1	1	4		6					
Staff/Experience			3	2	5					
Funding/Finance		2	2		4					
Coordination/ Communication			1		1					
Performance/ Management			5		5					
Equipment/ Transportation		1	1		2					
Policy		2	1		3					
Contract					0					
EXTERNAL FACTORS										
Political Uncertainty		1			1					
Inclement Weather		1			1					

Appendix B

Table 10

Problems Identified In Evaluation and Audit Abstracts:
Near East Bureau Fast Disbursing Projects

PROJECT FACTORS	EVALUATIONS					AUDITS				
	AID	HOST COUNTRY	RESPONSIBLE AGENT CONTRACTOR	OTHER	TOTAL	AID	HOST COUNTRY	RESPONSIBLE AGENT CONTRACTOR	OTHER	TOTAL
Planning	2	1	1	1	5	2		1		3
Staff/Experience		1		1			1			1
Funding/Finance		1	2		3	1				1
Coordination/ Communication					0					0
Performance/ Management					0	1				1
Equipment/ Transportation		2			2	1	1			2
Policy					0					0
Contract					0			1		1
EXTERNAL FACTORS										
					0					0

etc

Appendix C

Summaries of Selected Evaluations

AID Impact Evaluation No. 15 - "The Philippines Rural Electrification." Washington, DC, December 1980.

SOW: "To find out what difference electrification has made in the lives of the rural poor and what impact it has had on development," and to provide some thoughts on future programming of funds for rural electrification for the Agency.

Methodology: A team of various specialists visited seven cooperatives and interviewed NEA staff and AID-Mission staff about the Philippines electrification program. Criteria for selecting cooperatives were as follows:

1. length of service (four or five years);
2. composition of users (full range -- residential, commercial, industrial, irrigation, public buildings, street lights);
3. range of rate levels;
4. areas with a high level of poverty;
5. areas offering agricultural activities of major importance to the Philippines;
6. geographic distribution; and,
7. examples of self-generating and distribution only cooperatives.

At each cooperative site the team members interviewed cooperative staff and people in the area. They "actively sought" "individuals" that would enable them to obtain the maximum range of information during the stay such as businessmen in electric - using enterprises, school director, health personnel, priest, municipal officials, bankers, shoppers, farmers, fishermen, carpenters, and casual workers. Adopters and non-adopters of electricity were interviewed. The interviews were intensive, lasting about one hour. They were unstructured and designed to understand how the individual responded to the introduction of electricity.

Findings: At the input-output level the project was successful. Equipment and services were provided as planned, the institutions were properly formed and adequately staffed. The government of the Philippines continues to pursue a strategy of rapid expansion of electrification of households. AID objectives have evolved more precise consequences of electrification such as increased income and employment, but the Agency has done nothing to change the design of electrification projects. The rhetoric assumed there would be a

spontaneous response from investors to the introduction of electricity. This is not correct.

There is a lack of popular participation in cooperative activities apparently because of a fear of local political influence on the part of cooperative management. Cooperative boards are dominated by government employees, businessmen, sugar planters, and professionals: They contain no skilled workers, rural workers, or small farmers.

Rapid expansion of coverage to remote areas combined with a reluctance to raise consumer rates promptly in response to increase fuel costs have prevented many cooperatives from amassing adequate surpluses to repay NEA loans.

Electricity must be introduced after or in conjunction with investments and programs in order to have a significant impact on development.

The critical factor determining the extent to which electricity is used for productive purposes (industry as opposed to household use) is access to investment capital. This applies to individuals and communities. Thus, relatively well-off families established medium-scale enterprises, of the least traditional activities employing non-family members and relying on external markets. Poor families invested in small electrically powered enterprises employing mainly family members and producing items for local consumption.

Electricity has not had a substantial impact on agricultural production. Impact on health and education have been negligible. Almost none of the education institutions is used at night. No health facilities have been reequipped as part of a program to take advantage of power.

With one exception, there was no evidence of coordination between the suppliers of power and other government agencies.

The rural poor are unable to productively use electric power. About 40 percent of the rural poor can't afford it under current rates and tariff schedules. Minimum initial wiring cost is P150 to P250. Loans are available, but not especially liberal. Even those poor who can afford to wire their houses can't afford to use electricity productively and place a low priority on acquiring it below essentials such as food, clothing, and better housing. There are however perceived indirect social benefits, i.e., people feel safer as a result of street lighting.

The contribution of electricity to the development process depends upon the level of development, the availability of financial and human resources and programs that stimulate the use of power.

Electricity is only one of many energy sources used in rural areas (it is, for example, never used for cooking because other available fuels are cheaper.)

The success of the Philippines program in meeting physical targets appears to be the result of strong support from the central government to the implementing agency and a relatively well-educated population enabling the implementing organization to recruit qualified personnel at all levels. Mirus these factors, replication of a rural electrification project in other countries will probably not be as rapid. Future studies and evaluations of rural electrification should focus on the role of energy in rural development and the identification of conditions and programs to ensure it has a positive impact.

Implications for AID: A rural electrification project may have an impact on development if it incorporates additional resources to insure utilization, is linked to other projects in the area, and/or is introduced in areas that have reached a level of development to ensure the presence of adequate resources at the local level.

National Rural Electric Cooperative Association, International Programs Division, "Report on the Philippines Rural Electrification Impact Survey (1981)." Washington, DC, May 1982

SOW: Evaluation of seven of the 106 cooperative electrification service areas in the Philippines selected to represent geographic and socio-economic coverage of the country. The objectives were to produce data to measure:

- 1) impact of electricity on household living standards;
- 2) income, employment and productivity changes in commercial, agricultural, and public service enterprises from electricity use; and,
- 3) cooperative institutional and financial viability.

Methodology: The evaluation was based on two questionnaires, one (100 questions) for households, and one for commercial and public enterprises (65 questions). Households electrified and not electrified were surveyed. Sixty questionnaires for households were done at each cooperative, fifty questionnaires were done on enterprises. Criteria for selecting cooperatives included the following:

- 1) geographic representation;
- 2) good board/management relations and good community relations;
- 3) some areas where other government developmental inputs exist;
- 4) self-generation vs. grid system mix;
- 5) cooperative selected must have good records and maps;
- 6) wide range of number of consumers - one large one small;
- 7) no cooperative selected should have extreme high or low rates;
- 8) cooperatives must have 24 hours services;
- 9) better than average financial and system loss performance;

- 10) age (6 to 8 years old cooperatives) so trends are available.

The sample consisted of 770 interviews. The Cooperatives selected represented 6.5 percent of 106 NEA-financed system, serve 8 percent of consumers presently connected in the program and sell 9 percent of the electricity.

Findings:

- Household:
1. Heavy material households use more electricity than light material households.
 2. One in three houses have four electrical appliances. Ownership is related to construction material. Heavily constructed houses have more appliances.
 3. The higher the price of electricity the less consumed, especially in heavily constructed houses.
 4. Most households increase electrical consumption annually.

Low income families have limited electrical appliances. There is a demand, but credit is a major constraint to the purchase of additional appliances.

The survey "gave clear evidence that electric lighting stimulates the educational and productive activities in households." It also showed that labor saving devices were being derived from electrical appliances: 58 percent of those answered felt electricity had a "great" positive effect on economic and social family well-being; 35 percent said it had a "slight" positive effect. Similar responses were made concerning impact on the community.

- Enterprises:
1. Each enterprise reported net gains in production, sales or clients, since 1978. Small businesses reported significant sales volume increases.
 2. Most electricity consumed was for water pumping, refrigeration and machines operation. Forty percent of the businesses surveyed used lighting for income generating activities and processes.
 3. Each enterprise extended average daily hours of operation since 1978.

In short, the study suggests electricity plays an instrumental role in project area development by extending operating hours, broadening types of services provided, increasing production and formulating new types of rural industries, saving labor and money, and, increasing efficiency.

Institutional Viability: All seven projects were successful cooperative enterprises that provided growing levels of electrical services in rural areas at competitive and affordable prices. Staff were well-qualified, but financial performance was lacking mainly because of "poor collections from customer billings." This issue should have been explicitly incorporated in the surveys to shed light on the problem. Sixty percent of members said they attended and participated in cooperative meetings. Retail rates "were found easily competitive with the price of kerosene and diesel oil for lighting and motive power," but not competing with wood-based fuels used widely for cooking.

The survey found minimum bill users (10-15 kwh month or less) represented one fourth to one half of the consumers. "This is a significant statistic for measuring the level of accessibility and affordability at the lower economic level of the population."

Data collected provided parallel, not cause and effect, conclusions of the effects of electricity on housing, health, and nutrition. There appeared to be indirect impact linkages - though not statistically tested - on the contributions of electric power on schools, churches, plazas, health clinics, etc.

Implications for AID: None provided.

In summary, in terms of output (training, communications, line construction, provision of a well-designed, low cost electrical system and office facilities) the seven cooperatives were successful. There were significantly different levels of technical and operating performance regarding energy losses, service interruptions, collections, maintenance practices, transportation availability, record keeping, etc. Each cooperative had weaknesses in at least one of these areas. Energy losses from two exceeded acceptable norms.

Development Alternatives, Inc. (DAI) "Internal Evaluation of Project North Shaba" - November 1980

SOW: This is one of a series of evaluations undertaken by DAI home office staff on projects where there have been long-term implementation contracts. The purpose is to gain insight into the implementation problem both "to provide a formative influence on the evaluation of each specific project by identifying basic issues that should be addressed, and when necessary, by suggesting modifications or redesign of project components," and to provide lessons for additional corporate research and action in the development field.

Methodology: The evaluation was done by three DAI staff one of whom was the nominated future team leader of the project. It was done when the project was approximately half way completed and coincided with a revision of the project paper. Portions of this study were incorporated in the revision and were subsequently approved by AID/Washington.

Findings: Instead of measuring project achievements against original targets, four problem areas were identified as constraints to achieving the project objectives. The first, the deteriorating macro-economic environment of Zaire (over which the project staff and AID have very little control) defines the parameters in which the project must operate. The second, is the inability of the Government of Zaire to fulfill its financial obligations to the project. The third consists of deficiencies in the agricultural research and extension subsystem of the project. And the last concerns the quality of the technical assistance which was not adequate to accomplish project objectives.

The team concluded that it was unlikely that Zaire was in a position or willing to take steps to solve the macro-economic problems and even if they were it would be some time before the results would be apparent in the project area. Consequently, it would appear likely that the severe shortages of commodities necessary for the project - fertilizer, fuel, burlap bags, trucks, spare parts - will continue to adversely affect the project as will the deteriorating infrastructure and transportation system continue to thwart marketing of project agricultural products.

They reached a similar conclusion regarding that countries agricultural policies. Presently, government policy is to keep consumer prices as low as possible; unless producer prices are increased substantially, farmers in the project area will probably not adopt new farming practices unless they require a minimum risk or expense. The problems of introducing new agricultural technologies are exacerbated because the government allocates scarce funds, commodities, and trained staff to large-scale mechanized agricultural projects, heavy industry and heavy infrastructure

projects and places low priority on the development needs of small farmers.

"The major implication of these findings is that regardless of how well the project meets its own immediate objectives, it cannot achieve a large increase in agricultural production and farmer incomes in the foreseeable future. In fact, in purely economic terms the benefits likely to be derived from this project during the next ten years are much below what would be needed to obtain a positive rate of return. Although this argues against a large-scale production-oriented project, the agricultural potential of the area and the needs of the rural population justify some type of development activity."

Interventions funded should be limited to adaptive agricultural research including on-term treats, an extension program involving local farmers, and an activity to show farmers how to market their products, maintain their roads, obtain credit, etc.. with minimum dependence on outside institutions.

The team also evaluated project implementation performance and suggested the following remedial actions.

1. The agricultural research and extension subsystems needed "a major shift in approach" from the promotion of a technical package for maize production developed and tested in other parts of the country to a program that a) surveyed existing farming systems in the area; b) developed a research program based on the results of this survey; and c) monitored a field trial.
2. The technical assistance staff must be upgraded since there is little indigenous capacity to carry out a project of this nature and the project design requires a skillful resource staff. The present staff "has suffered from a general inability to transfer knowledge to local personnel" and the technical assistance overall has not been sufficient to accomplish project goals." An essential precondition to the continuation of PNS is that all of the team members should speak French and Swahili would help. The following specialists should be recruited: a production agronomist, an agricultural economist, and a senior engineer.
3. The lack of Zairois funding of local costs has resulted in layoffs, discontinuation of the infrastructure subsector and the agricultural extension and farmer group development staffs, and a low staff morale. Unless this problem is solved the project will continue to function below its capacity. Prior to signing a new project agreement, the Mission and Embassy should negotiate new procedures for disbursing GOZ funds, and steps should be taken to increase the amount of funding from counterpart funds and decrease the dependence of the project on the GOZ capital budget.

4. Commodity shortages are severe and will not be resolved in the foreseeable future. The project needs to improve its reporting on the routine flow of commodities to North Shaba and on arrangements for special orders.

DIMPEX Associates, Inc. "Evaluation of the North Shaba Integrated rural Development Project Zaire," June-July 1979

SOW: The evaluation was done to comply with requirements of the project design that an evaluation of project activities be made mid-way through the life of the project. It was anticipated by AID/W that some of the findings of the evaluation would lead to revisions in funding in the second three year phase of the project.

Methodology: The methodology was prepared by a design and evaluation officer and presented to the team which was not included in identifying the content or format for it. The team had two tasks: 1) preparation of a series of issues papers for high-level officials (USAID and GOZ) and project staff; and 2) the preparation of a draft PES, which this document is intended to be. The project design was thoroughly reviewed through meetings with project staff, and careful reading of the PP and the DAI evaluation, a critical review of the logical framework, and an analysis of specific project components by individual team members. It is clear from Annex P. "that there remain substantial differences in perception of the project between some of the DIMPEX team members and the DEO Officer.

Findings: While it is possible an integrated rural development process can work by identifying and resolving constraints to development, the team feels the project design was not properly prioritized, thus its resolution will not lead to the development process expected. The PP identified these constraints to development - poor roads, lack of trucks, fuel and spare parts and an inadequate marketing system. Constraints at the production and income level didn't receive sufficient attention. Delays in the arrival of equipment, supplies and difficulties in starting activities have affected productivity. Outputs are delayed by six months or more. Moreover, external events - social, economic, political were not adequately considered in the project paper. Inflation has cut the purchasing power of small farmers. Terms of trade have worsened causing higher prices for basic purchases. There have been no increases in the price of maize.

PP refers to existing maize cultures which will be analyzed, the best selected and improved on and introduced. There has been no follow-through on this. The information system is not timely or adequate to meet project needs. To date the project has not matured sufficiently to provide the requisites of an adequate model of a rural development process which can be applied in other zones. "However, only with the use of fertilizer, which has to be imported, can marketed maize increase to 48,000 tons by 1982 in North Shaba."

The team feels some of the beneficiaries of the project are large merchants which is a contradiction to the PP and FAA-Sec. 102(d) mandate to target efforts on the poor majority. While the project has provided employment there is little evidence it has provided greater equality in income. It must be redesigned if the intended beneficiaries - small farmers - are to be reached in more than a superficial manner.

Despite the avowed aim of increasing maize production, a substantial amount of resources have gone to physical infrastructure. "It seems more like a modified version of the capital development projects undertaken in former decades by AID, instead of a truly integrated rural development project."

A good lesson for other similar projects is the extent to which this project aligned itself with the economically and politically elite. Care should be taken in the development of these relationships so project aims are not compromised.

The "project has elicited aspirations and expectations from the local population that far exceed the capacity of the project to fulfill." There is evidence some farmers involved in the project would like to see it more closely serve their interest and fear it is susceptible to being used by powerful merchant and political interests that are not in accord with theirs, i.e., it is not clear who will own the project in the future.

The policymaking and support mechanisms provided for in the PP including the project steering committee have not been established as anticipated. Decisionmaking in the PMU is vague and has caused confusion in subsystem managers as to how to proceed.

The PP has built in contradictions. It envisages a special relationship with the office of the presidency while it aims at minimal dependence on GOZ agencies and the growth of the private sector. It therefore has a critical balance of relationships with a number of agencies. ONACER was to be the main marketing agent for the project, but it was dismantled when the project began and replaced with an organization whose functions are unclear.

The subsystem of communication and information doesn't have the capability to raise questions and red flags before serious problems arise within the project. The intermediate technology subsection is progressing generally as projected in the PP.

In Summary, PNS has contributed to the socio-economic development of small farmers and has had some impact on maize production. The subsystems are not operating in an integrated manner so as to achieve project objectives. It is not clear that project resources

allocated to rehabilitate bridges and roads will lead to an increase in maize marketing. Other constraints such as pricing policies and availability of commodities are beyond the projects sphere of influence. The marketing and credit subsystem is the weakest link because it lacks any provision of credit to farmers groups.

The team, however, is concerned about the dimension of the contribution and the nature of the expected benefits derived from the project. The recommendations, if implemented, should contribute to an increased flow of benefits to the target area population.

The following important constraints that are beyond project control could hamper the achievement of project objectives.

- At the time of the evaluation, project staff morale was low because of an impending decrease in salaries for certain GOZ employees.

- There is currently no indication that general economic conditions in Zaire will improve appreciably during project life.

- Social and political instability still threaten the country, and the project region, in particular.

- The lack of a coherent national GOZ rural development policy threatens the prospect of any long-range impact within the project area and inhibits the replicability of the rural development process anticipated in the original design in other regions of Zaire. The lack of a base line survey of principal socio-economic indicators of North Shaba has made measurement of progress difficult. This lack will also be felt when future evaluations of this project are undertaken.

DAI - "Five Years Later: Progress and Sustainability in Project North Shaba." March 1982

SOW: To measure progress towards the stated objectives of the project and to determine whether successful elements of the project might be sustainable over the long-term after donor assistance is withdrawn.

Methodology: Four senior members of DAI staff visited the project site. The team included the former PNS chief-of-party. No precise methodology is stated.

Findings: The project is designed to reflect the "New Directions" mandate. Evidence from it and other such projects suggest such an approach to development takes much longer than anticipated.

Maize exported from the project area increased from 5,904 metric tons in 1977 to 32,383 metric tons in 1981, according to data furnished by the project Data Collection and Analysis Service.

There are no time series or baseline data to help explain what has occurred since 1977, but it appears that PNS has reduced bottlenecks to production and created a "spirit of confidence and optimism that encouraged the increase flow of private resources into maize production and marketing with the following developments:

- the railroad has established a regular service to Kongolo where there had not been one prior to project initiations;
- a big flour milling concern has established a purchasing counter at Kongolo; a large local buyer has opened a counter. Thus, people have access to the railhead price rather than farm-gate price;
- PNS has made available 100,000 maize sacks for sale in the 1981 marketing period and 30,400 liters of diesel fuel;
- PNS completed 4.76 kms. of road;
- PNS organized farmer groups to market maize directly to larger buyers and to bargain collectively for fair weighing in farmgate sales; and,
- PNS produced needed handtools and introduced improved seed and cultivation methods.

There are three serious constraints to project sustainability: 1) chronic GOZ budgetary constraints means the GOZ will not be able to provide recurrent costs for project activities; 2) the artificially low exchange rate means maize produced in North Shaba can't compete with imported maize; and, 3) continuous shortages hamper road maintenance, marketing, etc.

To counter these constraints it is recommended that the project: 1) minimize its dependence on outside resources and materials such as is reflected in the project design in order to increase the chances that project benefits when aid is withdrawn; 2) support decontrol of maize prices in Shaba and give top priority to ensuring that official maize prices increase in line with inflation.

Agriculture and Research subsection has had poor technical assistance and a bad technical package. Research activities should be reoriented to adaptive research on maize and other crops grown in the area. A research and extension technical advisor should be recruited immediately. A condition precedent for additional funding should be the incorporation of DOA into the project area to help the project or gather out efforts should be made to collaborate with ESTAGRICO, the cotton parastatal.

The Project Management Unit (PMU) consists of a Zairian director, a expatriate-chief of party and an expatriate deputy for administration and finance. They share responsibility for the project. It's continuation even after AID withdraws is supported because 1) it forces three different perspectives and technical skills on problems thus strengthening decisionmaking; 2) it eases the burden of decisionmaking; and, 3) it permits the effective handling of a blend of cultures.

Sustainability can be defined as the ability of the local population to carry on PNS activities once outside intervention ceases (beneficiary capacity), or the ability of DOA and GOZ to continue on a reduced scale PNS activities once American funding and technical assistance are terminated.

A PMU was created because the DOA lacked the institutional capacity to implement the project. By its creation, DOA is virtually by passed. There are few indications that PNS has had much effect on the DOA's institutional capacity. DOA has not supported the project.

PNS has supported the interest of small farmers, before it ceases the farmers groups it has created must be consolidated to represent their interests effectively.

Thought should be given to the role of the soon to be completed training center at Ngaba in sustaining project activities. Alternative sources of revenue for project activities should be

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explored such as a tax on maize sold in North Shaba and a tax on foreign maize imported into Shaba. The project should provide information on the recurrent cost of project activities and USAID should hold discussions with GOZ to determine how and when such taxes might be imposed.

AID, "Project Evaluation Summary - North Shaba Rural Development,"
June 1982

Methodology: The team used the findings of three previous evaluations - the GOZ Department of Agriculture evaluation in late 1981, the DAI evaluation in early 1982, and the USAID fielded team of outside experts in May 1982 - as well as the opinions and perceptions of the mission staff.

SOW: The purpose of the evaluation was to examine the prospects for replicability of the project process and to determine the sustainability of project activities.

Findings: "Initiated in 1977, the project has weathered major unforeseen and adverse acts of God and man to reach its production target ahead of schedule. Despite significant shortfalls in some expectations, the project has been almost uniquely successful in Zaire in generating a climate of hope among isolated rural village cultivators for sustained socio-economic development. This evaluation concludes that the project merits continued support." The project should be redesigned and costs should be reduced.

Exogenous factors that have negatively influenced the project include: two small wars in the region, a flood, a radical program of national demonetization, lack of GOZ financial support, lack of critical commodities such as fertilizers and pesticides, government pricing policies, and an inadequate national transport and communication system.

The principal failure has been lack of adequate project staff. This deficiency applies to the contractor, DAI, the subcontractor, Morrison-Maierle and the Department of Agriculture of Zaire.

Project research has been undirected, uncoordinated and unproductive. As a substitute for ineffective project research, the technical package developed by the National Maize Program has been used.

Sixty of the 75 planned extension workers have been recruited, trained and deployed. The extension workers are "substantially more effective (including farmer acceptance)" than agents previous operating in the area. The utility of the councils is questionable but they do lend prestige and community endorsement to project activities.

The intermediate technology component has proven weak on balance. The quality of the agricultural tools produced is inferior because the raw materials are inferior, but farmers have been buying them because their price is subsidized.

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Regarding the infrastructure component, "The engineering technical assistance has been subject to some criticism for inadequacies in planning, design, supervision, implementation, and efficiency." As a result of this evaluation the senior engineering advisor has been removed from the project. Future engineering services will be provided by TDY assistance. Maintenance of the rebuilt roads is a problem. A local company has been contracted to provide maintenance employing hand labor crews and the effectiveness of this system is not yet evident.

Marketing targets have been attained because private sector operators have taken over from the defunct parastatal marketing organizations.

The project now has a good data gathering system but its usefulness has been limited by inadequate staff to analyze and disseminate it.

Post project planning has received insufficient attention and it is unlikely that the DOA could sustain activities without outside assistance. The lack of post project planning has occurred because the project management has tended to become immersed in the details of day-to-day operations and there have been personnel shortages by the contractor and DOA.

The purpose of the project is to increase the income of small farmers in the area by 100 percent by the end of the project by raising corn production from 27,000MT in 1978 to 49,000MT and to develop a rural development process that can be replicated elsewhere in Zaire. In 1981, the area produced about 66,000 tons of corn, but that has not necessarily led to increasing incomes as much as possible because of price ceilings on corn. The model for replication has not been refined. The improved marketing system has been an incentive to farmers to increase production in other areas.

The project has been relatively successful so far despite setbacks from unforeseen events and despite the difficulties of supporting activities in a country with so many economic problems and in an area so remote. Still, efforts are needed to secure its benefits through the institutional rooting of its processes in the area. It is recommended the project be extended, but redesigned. For AID, other donors and the GOZ the project offers valuable opportunities for testing and searching for workable developmental strategies and processes. "It would be difficult to defend the sacrifice of these opportunities without having thoroughly explored the possibilities and fully tested the options for a replicable model." It is recommended that the project be extended an additional two to four years. At the present time it is not possible to definite conclusions on whether the purposes can be attained or not.

The redesign should aim at establishing enduring institutional arrangements to sustain the processes that have yielded project benefits, streamline essential activities, eliminate non-essential activities and reduce recurrent costs.

Special Comment: Significant conclusions reached in the May 1982 evaluation hinge on questionable data. That report uses DOA statistics showing 29,000 tons of corn marketed from the project area in 1976. It then says that present marketing levels only marginally exceed those of earlier years. It concluded the project has little effect on corn production and therefore questioned its benefits, vis-a-vis the costs. "Analysis of related DOA data showed that the extension agents, upon whose reports the DOA statistics are based, routinely estimate production figures by the simple expedient of factoring a percentage increase into prior years' reported figures. That is, the DOA's reporting service is not capable of actual estimates, but only of extrapolations based on assumptions (and motivated by a desire to show "progress and the putative success of its own efforts and raison d'etre)." Consequently, USAID has discounted all statistics relating to the project prior to project initiation. The project now collects extensive data that is far more reliable than DOA data. The economic achievements and benefits of the project can be seriously skewed according to the data source.

Appendix D
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