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DISCUSSION

DRAFT

EXTENSION OF
PROJECT EVALUATION
TO ALL AID PROJECTS

PHASE ONE REPORT

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NOTE FOR: PPC/CDIE/DI, Lee White
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SUBJECT: Report -- "Extension of Project Evaluation to All
AID Projects."

The "discussion draft" attached is in fact the final version of the report. This was confirmed to me by its author. There is also no "phase two report." I suggest we enter the document on the DIS.

Thank-you!

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CHAPTER ONE

OBJECTIVES, SCOPE AND METHODOLOGY

A. STUDY OBJECTIVES

1. General

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

The AID project evaluation system was designed in 1970 with the objective of improving the evaluation of non-capital projects. The study designers determined that the optimal system for the Agency would consist of two elements: "One supporting an evaluation process carried on within the Mission, and the other reporting on that process".*

* L.J. Rosenberg, et.al., Project Evaluation and the Project Appraisal Reporting System. Washington, D.C., 1970. Volume II, page I-2.

This system, consisting of an integrated design and evaluation process and a PAR (Project Appraisal Report) on that process, was installed by the Agency in 1971. Its primary use has been in AID technical assistance projects overseas. It has also been employed for the evaluation of projects in the Technical Assistance Bureau (TAB) and in the Bureau for Population and Humanitarian Assistance (PHA). Within the geographic bureaus of the Agency there have been efforts to utilize the system for the evaluation of capital projects. Preliminary investigations of system applicability have been made by the Housing Investment Guarantee and Food for Peace offices.

Current Agency efforts to expand the practice of evaluation at the project level are part of an Agency-wide attempt to develop an integrated system for planning, budgeting, accounting, and reporting. The outline for this integrated system is in circulation in the Agency in an October 1974 report entitled: An Integrated System for Planning, Budgeting, Accounting and Reporting (PBAR). Briefly, the objective of this system development effort is to create and enforce a performance orientation within the Agency.

2. Specific Study Objectives

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

- o An inventory and analysis of AID's total project assistance system to determine the evaluation requirements, impediments and opportunities in terms of:
 - a. The kinds of policy, program, technical and implementation management decisions made by AID and host country decision makers;

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

The findings of the study are included in this report to meet the requirements of the first item. Draft system specifications and outlines of the subsystem designs and related planning/design standards are presented in response to the second, third, and fourth items. Recommendations for implementing the proposed approach to expanding project level evaluation are also provided in this volume.

B. STUDY APPROACH

In the context of the integrated management system proposed by the Agency's PBAR Task Force, evaluation has the specific charter for selective examination of the Agency's experience to determine what

happened and why. The results of evaluative investigations are to be used to provide guidance on improved planning, activity selection and design, and program implementation.

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

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

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

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

C. STUDY SCOPE AND METHODOLOGY

An overview of the study scope and methods is presented in the following sections.

1. Evaluation Coverage Survey

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

TABLE I-1
TYPES OF INTERVIEWS CONDUCTED AND BUREAU COVERAGE

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

Of the total of 87 interviews, nine were unstructured and dealt with the interface between the evaluation system and other related management systems. In addition, a total of 6 interviews were conducted with staff members of U.S. private voluntary organizations.

As is readily apparent, the interview sample for this study was generally limited to individuals in Washington. (Two interviews were conducted in USAID/Panama, when one member of the study team visited that Mission under the auspices of a different study.) To overcome the handicap presented by an absence of Mission and host country interviews, the study team had to rely heavily on the experience of Agency personnel, information provided from Mission and host country planning and evaluation documents, and the past experience of PCI staff members.

The results of interviews conducted during this study were reviewed by key PCI staff to determine credibility based on:

- ° PCI's five years of experience, in 35 countries, helping project designers use evaluation system concepts;
- ° PCI's related efforts in support of PBAR's PPT, the Africa Bureau MIS, and recent work in developing compatible USAID/LDC systems (e.g., in Pakistan);
- ° PCI's analysis of information needs and availability for project designers, in support of the Ide Task Force recommendations to develop a Development Information Service (DIS).

The findings of the current study were corroborated per the above, and thus our confidence in our findings and recommendations by far exceeds that which would be warranted by the small and non-random project sample chosen for this investigation.

2. Identification and Analysis of Project Classes

Concurrent with the study's survey of Agency personnel, PCI "inventoried" the Agency's project assistance system. The inventory effort made use of AID's existing system for classifying projects; e.g., budget request presentations, as well as bureau and office lists. The inventory attempted to identify all project assistance covered by the Agency through its Development Assistance, Indochina Postwar Reconstruction, Security Supporting Assistance, and PL480 appropriations. Projects identified through a review of these budget requests were classified by technical field and by project classes. Project classes, for purposes of the inventory, were project groups that AID personnel use to cluster projects that have important structural and management similarities. Table I-2 displays the total number of projects identified through the PCI inventory of old and proposed projects, as listed in the FY 75 Budget Request documents and in supplementary bureau tabulations.

TABLE I-2

AGENCY PROJECTS IDENTIFIED IN SEVEN GENERAL PROJECT CLASSES

(Ongoing and Proposed FY 75 Projects)

PROJECT CATEGORIES	PROJECT FIELDS				TOTAL
	FOOD & NUTRITION	HEALTH & POPULATION	E/HRD	SEL DEV PROBLEMS & SPECIAL FUNDING	
CAPITAL	99	8	40	273	420
T.A.	223	81*	141	116	561*
COMMODITIES	218*			9	227*
U.S. INSTITUTIONAL CAPABILITY	77	22	26	13	142*
EMERGENCY	20*✓	✓	✓	✓	20*✓
BUDGET SUPPORT	✓	✓	✓	3✓	3✓
OTHER	✓	✓	✓	✓	✓
TOTAL	637*	111*	207*	414*	1373*

KEY: ✓ = Number of projects is unknown
 * = Estimate is presumed to be low

Based on the review of this inventory with the AID monitors for the study, a total of 24 projects representing 20 types or classes of projects were selected for examination. Selection of projects for inclusion in the sample was based on a requirement set by the AID monitors that sample projects be "representative" of their project class. To comply with this requirement, PCI employed a mixture of random and non-random selection approaches. In addition to selecting "typical" projects for each class, PCI attempted to distribute the selection of projects among the various AID bureaus. In order to avoid developing a sample that included only projects recommended to us, the selection procedure PCI tended to follow was one involving a pre-identification of "typical" projects within a class, selection of the bureau to be represented, and finally random sampling among the "typical" projects within the pre-selected bureau. Table I-3 displays the project sample. To increase our confidence in the study findings on this small sample of projects, PCI collected and reviewed documentation on additional projects in each class.

In structuring the examination of "typical" projects, PCI recognized that the Agency's project evaluation system is closely linked to its project design system. This linkage is so complete that, in instances where projects have not been designed using the system approach, the Agency recommends a design clarification process to be undertaken prior to evaluation. Application of the Agency's project design concepts is expected to result in a project design that provides a basis for assessing project performance. Where there is difficulty in applying the Agency's project design concepts, it can be expected that there will be some difficulty in utilizing the Agency's procedures for project evaluation.

PCI's examination of sample projects focused in good part on the extendability of the design concepts to project classes that are not currently

TABLE I-3

NUMBER AND TYPE OF PROJECTS REVIEWED IN THE COURSE OF THE STUDY

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

required to use the Agency's project design and evaluation system. PCI also examined project classes that currently employ the system to determine whether its application enhances or impedes project management and evaluation efforts. The adequacy of the Agency's Project Appraisal Report (PAR) for meeting the evaluation reporting needs defined by the study was considered to be an open question. It was expected that the study findings would serve as the basis for a reexamination of the PAR.

PCI used a standard procedure, consisting of three steps, to examine project design and evaluation practice. The three steps in the project examination procedure are outlined below:

a. Identification of the Project Design Elements

Design identification consisted of a review of the project documentation and an interview with an AID/W project informant. This review led to the development of a draft logical framework where none existed. Where a logical framework existed for the project, it was used as the starting point.

b. Critique of the Project Design

Each project design, or logical framework, was scored for its readiness for evaluation and its adherence to the design requirements of the AID project design system.

c. Design and Evaluation Review

Based on the results of the design critique undertaken by PCI, study team interviewers raised questions with the AID/W project informant. Questions in the design review were limited to those items PCI judged to be weakest from an evaluation perspective. The purpose of the design review was not to change the project, rather it was an approach used to determine the level of effort required to bring the project to a point where it could readily be evaluated. Evaluation plans and practice for the project were also examined in this session.

3. Agency Participation

Upon conclusion of the basic data gathering effort, preliminary study findings and tentative evaluation system concepts were presented to the Agency's Advisory Committee on Evaluation for review and comment. The present volume, the report on the Phase One Study, is designed to bring the study's findings and recommendations before a larger segment of the Agency. Comments and suggestions made to date by the Advisory Committee have been considered in this volume; the insights and critique provided by this group have been helpful and are appreciated. One objective of the current volume is to widen the dialogue begun in those committee reviews so that additional data may be reviewed and considered.

CHAPTER TWO

SUMMARY OF EVALUATION REQUIREMENTS

The previous chapter defined an evaluation system as an information system that provides decision makers with timely prospective and retrospective information on the value of activities. In this chapter, PCI summarizes the key findings that emerged from an inventory of project assistance supported by AID and an analysis of policy, program, technical and implementation management decisions made by AID and host country managers in relation to AID projects.

A. KEY DECISIONS AND DECISION MAKERS

PCI's review of the decision process, as it had been described for specific project classes, indicated that project-related decisions made by AID and host country officials have two basic dimensions:

- ° A Time Dimension: That scales the degree of predictability in the decision process;
- ° A Procedural Dimension: That scales the degree to which the decisions have legal, budgetary, and other binding implications.

Each project decision identified by the study can be characterized on both of these dimensions. On the time dimension, project related dimensions were either planned -- the manager could predict in advance the time frame in which a set of decisions was to be made, or unplanned --

the manager responded with decisions to a situation that he could not predict. In this latter category, we include those decisions that the manager had begun to anticipate some time before they were actually required, but which were not included in the long-term plan for the project.

On the procedural dimension, AID and host country decisions were found to be either formal -- in that both the nature of the decisions to be made and the legal and budgetary implications of those decisions were predictable, or informal -- in that the manager could not predefine either the nature of the decisions he would be required to make or their implications for formal project commitments.

All project related decisions identified by the study were classified for review into a four cell matrix:

		PROCEDURAL DIMENSION	
		FORMAL	INFORMAL
TIME DIMENSION	PLANNED		
	UNPLANNED		

Table II-1 summarizes the major project related decisions for each cell of the matrix.

Table II-1: KEY PROJECT DECISIONS

		PROCEDURAL DIMENSION	
		FORMAL	INFORMAL
TIME DIMENSION	PLANNED	<ul style="list-style-type: none"> ◦ <u>Project Approval:</u> Decision to commit resources: AID and host. ◦ <u>Disburse Funds:</u> Decision that required conditions have been met or should be waived. ◦ <u>Phase II:</u> Decision to commit funds to second or further phase of project. ◦ <u>Host Takeover:</u> Host decision to continue/maintain project effort. 	<ul style="list-style-type: none"> ◦ <u>Project Design:</u> Selection from among alternative approaches. ◦ <u>Replanning:</u> Decisions resulting from periodic project evaluation reviews.
	UNPLANNED	<ul style="list-style-type: none"> ◦ <u>Extend Project:</u> Decision for projects where further effort was not planned. ◦ <u>Expand Project:</u> Decision to use project as vehicle for additional efforts. ◦ <u>Terminate Project:</u> Decision to shift resources away from low value activity. ◦ <u>Special Evaluation:</u> Decision to assess alternatives for project. 	<ul style="list-style-type: none"> ◦ <u>Modify Plan:</u> Decision to alter project without undertaking a major redirection or change in level of effort.

PCI's analysis of the decision making process for Agency projects indicated that there are three basic audiences for evaluation:

- ° AID and host country project and program planners;
- ° The project team: Those individuals who share the responsibility for a specific Agency project;
- ° The U.S. Congress.

The evaluation required to support AID and host country project and program planning decisions, while retrospective with respect to the outcome of past project efforts, was found to be prospective in focus. The evaluation requirements of the project team were found to be retrospective in nature, and to focus on the decisions that could be made to improve the chances for success in a specific project. Evaluation requirements in support of the Congressional decision making process were found to be retrospective in nature, and to focus on project outcomes. While the three audiences were found to differ as to decision perspective, they often have similar data requirements.

The most extensive requirements for prospective and retrospective evaluation were found to be those of the AID and host country project and program planners. All of the decisions classified as planned/formal tend to be made by this evaluation audience. The baseline, experience and project performance data needed to support the planned/formal project decision making processes, is required by this evaluation audience. In addition, this audience requires the experience data needed to make planned/informal choices among alternative project approaches. The data requirements of this audience go beyond the area of responsibility normally assigned to the evaluation function. Specifically, that set of data requirements that constitute a baseline for project activities have, within AID, been considered to be the responsibility of the planning function.

The evaluation requirements of the AID and host country project and program planners subsume all of the requirements for data to support the

Congressional decision making process. The retrospective evaluation of project outcomes required to support the planning process parallels the Congressional requirement for information concerning AID project and program performance.

The evaluation requirements of the project team differ from the evaluation requirements of the first two evaluation audiences. The decision responsibility of the project team includes responsibility for the unplanned decisions. In addition, the project team bears the responsibility for the planned/informal decisions resulting from project evaluations undertaken on a periodic basis during the active life of the project.

The data required to support project team decisions thus focuses on project performance up to the point of the decision. While the information required may include evidence concerning project impact on higher level objectives, data on project outcomes is not always required to support the decision making process for which the project team is responsible.

B. PROJECT RELATED DECISIONS

1. Planned/Formal Decisions

The fundamental project decision made by the Agency is the decision to commit funds. In an ideal world this might be the only decision required of management in relation to a project. For AID officers, the majority of the decisions that are both formal and planned are the decisions made in the project approval process.

Extrapolation from study interviews and PCI's past experience indicated that host country officials made two sets of planned/formal decisions in relation to AID projects:

- ° The initial decisions to commit resources to the project, including: signing of the project and loan agreements, commitment of personnel, etc.
- ° The decision to continue project efforts after AID involvement has terminated including both the continued commitment of funds and the maintenance of efforts to utilize project results as a means for achieving some higher level objectives.

For both AID and the host country the decision to undertake a project is influenced by a series of subordinate decisions. The subordinate decisions that bear on project approval and funding within AID are discussed in terms of four perspectives: Policy, program, technical, and implementation views. In each of these discussions, host-country decisions are identified to the degree that this study has allowed us to identify them.

a. The Policy Perspective

(1) AID Decisions

From a policy perspective, two decisions were found to influence the project approval decision. Project approval required that, from the policy perspective:

- ° Projects to be consistent with the intent of the Agency's foreign assistance legislation;
- ° Projects with field components be consistent with U.S. foreign policy in the region or country.

Interviewees indicated that, in the majority of cases, approval from a policy perspective required that some threshold level of consistency with policy guidance be evident. The project approval process was reported to address the issue of project efforts to reach target groups identified by the foreign assistance act, as well as project compliance with such implementation constraints as the use of American carriers. On a less frequent basis, the project review and approval process was reported to examine project methodology to determine the degree to which the project represented an explicit effort to implement the social and distributional objectives identified in the foreign assistance legislation.*

(2) Host Decisions

Study interviews provided no data on the policy review process to which AID projects are subjected in the host country prior to execution of a Project Agreement. PCI's experience would suggest that host country reviews from a policy perspective are slightly less formal than AID's review. This informality may be in large part due to the existence of a conflicting set of policy objectives/constraints -- some overlapping and others antithetical to AID policies. Whatever the cause, host priorities, and the information needed to choose among projects, is not perceived as accurately predictable, a priori. Rather, program/project formulation tend to be a deliberate process closely related to the internal political as well as developmental realities. Thus, host policy reviews frequently grapple with the issue of whether or not the LDC can or should embrace U.S. policy objectives or abide by U.S. policy constraints. Population projects have been subjected to host country reviews from a policy perspective.

* The quality of these reviews are not impressive, however. In most cases, the "data" offered for review are hypotheses -- plausible statements as to how projects will be in accord with Congressional Mandates but with little empirical evidence regarding probability or level of success.

b. The Program Perspective

(1) AID Decisions

Program decisions in support of the project approval process were found to be of two types:

- Decisions concerning the project's "value;"
- Assessments of the project's consistency with broader programmatic efforts being undertaken by AID and/or the host country.

The decision concerning the "value" of a project was reported to result from a review of whether:

- The expected benefits from the project exceeded its probable cost;
- The probability that the project would achieve its objectives.

While the questions raised by reviewers were reported to be reasonably unstructured, they tended to address the issues of project logic, project assumptions, and the cost effectiveness of the approach defined by the project.

The review of project consistency with host and AID programmatic objectives and plans is reported to be more detailed than the review for policy consistency. Whereas the typical Agency project is expected to demonstrate a threshold level of compliance with policy guidance, the programmatic review and decision process tends to expect that projects will actively contribute to the achievement of a development objective. The development objectives and plans against which project plans are compared vary by Agency bureau. In the geographic bureaus, consistency and contribution to achievement of the DAP (Development Assistance Program) objectives for the country and host country plans are to be

considered. In the central bureaus of AID, project plans are reviewed in the light of bureau objectives, such as the "key problem area" objectives of the Technical Assistance Bureau.

(2) Host Decisions

Programmatic decisions concerning AID projects in the host country are reported to be related to assessments of the degree to which AID projects will enable the host to achieve the objectives set forth in host country plans. Interviewees indicated that the discussions in this area tended to take place when AID and the host officials jointly participated in the design of projects. AID personnel did not report on the review process undertaken by the host when projects were not jointly planned.

c. The Technical Perspective

(1) AID Decisions

Technical decisions in support of the project approval decision tended to address variants of two fundamental questions:

- ° Is the technical approach responsible given the project environment?
- ° Are the project inputs appropriate and adequate given the project commitment to produce goods and/or services?

In general it was reported that these technical decisions, including a review of the budget for the project, are made prior to the formal project review and approval discussions. Members of the review and approval committees are reported to come to the approval meetings having reviewed the project's technical plan and budget.

(2) Host Decisions

While host country officials may not actually review and internally approve project technical plans, it has been the experience of AID officers and PCI staff that host officials occasionally raise two types of questions about AID project approaches.

- Is the technical approach described in the project one that our citizens will be able to continue after AID funds are gone? What will it cost to continue the project?
- Will our citizens be trained in the skills required to operate the proposed facility or system?

d. Implementation Decisions(1) AID Decisions

The basic implementation decision made by AID in conjunction with project approval tends to be a decision as to the implementing agent, rather than a decision as to the adequacy of the project's implementation plan. At present, loan approval reviews for capital projects are reported to undertake the most rigorous assessment of implementation plans.

(2) Host Decisions

Of all the decisions the host country makes in regard to an AID project, the implementation decisions appear to be the most critical from the host perspective. Within this category, the host must decide on the level of human and currency resources he will devote to the project effort.

In addition to the project approval and funding decisions that make up the vast majority of the planned/formal decisions on projects, a number of other decisions in this category have been identified, including:

- ° AID decisions as to whether:
 - Conditions required prior to the disbursement of funds have been satisfactorily met;
 - Phased projects that are planned for continuation should in fact be continued as planned.
- ° Host country decisions as to whether:
 - The project effort should be continued/maintained after AID involvement ceases.

In making each of these decisions, the policy, program, technical, and implementation perspectives are considered to the degree required by the specific project and the host country situation.

2. Unplanned/Formal Decisions

In the category we define as unplanned/formal decisions, PCI identified four types of decisions AID officers may be required to make for individual projects. The mix of policy, program, technical and implementation decisions required in this category was found to be a function of the specific project and situation. The four types of decisions identified in this category included:

- ° A decision to extend a project that was not planned for extension; i.e, phased;
- ° A decision to make a major change in the project direction, scope or budget;
- ° A decision to terminate a project early;
- ° A decision to request assistance in making a project assessment or evaluation in regard to one or more of the decisions listed above.

Host country officials were reported to undertake parallel decision-making processes in regard to the extension, expansion, or termination of Agency projects in which they were closely involved. It does not appear that there is regular host involvement in Agency decisions to undertake special evaluations.

While each of the decisions above might be anticipated by project and bureau officers, they are not decisions the project designers predicted would be required in order to complete the project. Despite the fact that these decisions must be made in response to changes in the project situation, the nature of the decisions are reasonably well defined. In making these unanticipated decisions, AID officers are normally aware of their legal and budgetary consequences. In some instances, e.g., project extension or expansion, the decision of the project team will have to enter the formal/planned decision process for approval.

3. Planned/Informal Decisions

PCI's inventory of decisions indicated that there are at least two types of decision processes that are both planned and informal: Project design decisions and decisions resulting from project evaluations. In the following paragraphs these decision categories are described. No specific host country decisions were identified for either of the informal decision categories. On the other hand; host requests and/or expressions of interest often led to unplanned and informal decisions in AID to begin a project design and approval process in response to host initiative.

a. Project Design Decisions

In the course of selecting a project design, the designer may consider alternative project approaches as well as alternative implementing agents. To the degree that the project manager actively considers alternatives, he

is involved in a planned decision making process.* The review of alternatives in the project design process is informal in that the designer does not know exactly what decisions he will need to make. A review of alternative project approaches is recommended by the Agency, but is not presently a required step in the formal project development process.

b. Decisions Resulting from Periodic Project Evaluations

Periodic project evaluations are required by the Agency for a number of classes of projects. The planned evaluation of a project does not serve to define, a priori, the decisions that project management may be required to make.** It does however improve management's control over the timing of those decisions.

Where it is required, the Agency's PAR (Project Appraisal Report) requirement was reported to encourage periodic evaluation. Further, the presence of periodic evaluation was reported to lead to project related decisions. Rather than reducing the number of instances when projects are recommended for formal review, the requirement for periodic evaluation and decision making appears to be increasing the number of recommendations for major redirection in projects or their termination.

As in the case of unplanned/formal decisions, some of the project team decisions resulting from periodic evaluations will have to enter the formal/planned decision process for approval.

* Study findings, and PCI's experience with AID projects over the past 5 years, indicates that the alternatives considered by the project designer are not always alternatives for achieving program objectives; e.g., alternative purposes that will contribute to a fixed goal. Often the project designer reviews alternatives to determine what development relevant purpose or goal can be affected given a pre-design commitment to provide a specific output or set of inputs, e.g., a bridge, fertilizer, etc.

** Which is not to imply that proper evaluation planning should not clarify the decisions management must make. It should.

4. Unplanned/Informal Decisions

PCI's review indicated that decisions concerning changes in project implementation plans and schedules tend to be both unplanned and informal.

The Agency's current efforts to design and install a Project Performance Tracking system and the Bureau efforts to develop Mission management information systems have been seen as efforts to reduce the number of unplanned decisions the Agency must make, and subject the unplanned decisions that remain to a more structured analysis.

C. DATA REQUIRED TO SUPPORT PROJECT RELATED DECISIONS

In presenting PCI's findings concerning "data requirements," we have focused on the information needs that Agency personnel indicate would result in a more rational decision making process. Thus, in part, the "data requirements" discussed in this section are "data needs" that have not been translated into formal requirements.

AID officers interviewed in the course of this study indicate that while they and their host counterparts make decisions based on a good deal of general information, they tend to lack basic project data, including:

- ° Baseline data on the nature and scope of the problems that are addressed through projects;
- ° Experience data on the relative success of alternative approaches for solving development problems and distributing the benefits of development;
- ° Performance data on impact of their projects on specific objectives.

Conversely, AID officers indicate that they are well informed concerning the degree to which projects are providing the goods and services pursuant to formal Project Agreements.

No information was collected on the data required to support the host country decision making process. However, to a limited degree we have been able to infer these data requirements from the host decisions that have been identified.

Data required to support specific decisions are presented here using the four cell matrix approach to classifying decisions described in the previous section.

1. Data Required to Support Planned/Formal Decisions

The data needs that have been identified in this category are discussed in terms of the four major types of decisions that are both planned and formal:

- Project Approval;
- Disbursement based on compliance with specified conditions;
- Extension of a phased project;
- Host decision to continue project effort.

a. Project Approval

As indicated in the prior section, the project approval decision is made from a number of perspectives, each with its own data support requirements.

(1) Data Support for Policy Assessment

PCI's findings indicate that the information required to determine whether AID projects are consistent with U.S. foreign policy in a given area is already available in the Agency. Study findings further indicate that the

data required to determine whether projects are in compliance with those portions of the foreign assistance legislation that have been actionably defined are normally available during the review and approval process. The data required to determine whether the host country contribution to the cost of project and program assistance is appropriate is an example of a requirement that AID officers would consider to be actionably defined.

On the other hand, PCI's interviews indicated that decisions as to whether Agency projects will address the broad social and distributional objectives of the foreign assistance act are poorly supported. Data required to properly support these decisions were found to be of three types:

- ° Theoretical constructs: There is a reported lack of theory from which specific hypotheses concerning approaches for reaching the "poor majority" can be deduced;
- ° The relative success of existing approaches for distributing development benefits: Despite the fact that a variety of project approaches are used by AID, there is a lack of empirical data on the relative effectiveness of alternative project approaches for distributing the benefits of development;
- ° Planned project impact: There is a lack of data in project proposals as to baseline conditions, and the absolute number of people to be reached. Data on the composition of the target group, i.e., income, sex, location, etc., is scarce.

(2) Data Support for Program Assessment

Program decisions associated with the project approval process were found to include assessments of:

- ° Project value given cost;
- ° Contribution of project to higher level objectives.

The assessment of project value is reported to involve a process that considers project impact in a number of dimensions. This process is not

well defined. However, from the interview data, we can infer a list of the value dimensions AID officers tend to consider. In addition to the distributional effects of a project, discussed above, AID officers consider a set of potentially additive effects from projects including:

- ° Direct effects: Given the magnitude of the problem, what percent of the solution will be provided by this project?
- ° Diffusion effects: If the project is successful, what additional portion of the solution will be addressed by other concerned parties?
- ° Multiplier effects: If the project is successful, what secondary or multiplier effects will it have on other problems in the area?
- ° Indirect effects: As a result of the "good will" created by the project, what beneficial development efforts and/or political objectives will be realized?

Definition of the types of data required to answer each of these value assessment questions came only in part from the study interviews. In preparing the data requirements list below, interview statements were supplemented by the results of PCI's examination of Agency projects.

- ° Direct effect data, including:
 - (a) Country, region or global data, as appropriate, on the extensiveness and intensity of the problem;
 - (b) Relative effectiveness of the proposed project approach;
 - (c) Baseline data on the area and target group to be affected;
 - (d) Project targets in terms of altering the extensiveness and/or intensity of the problem;
- ° Diffusion effect data, including:
 - (a) All direct effect data;
 - (b) Relative effectiveness and potential replicability of the proposed project approach;

- (c) Data supporting project assumptions concerning project expansion or replication, e.g., host commitments, etc;
- (d) Data supporting project assumptions concerning the demand for problem solution beyond the project context, e.g., statements of interest by other governments, etc.;
- ° Secondary effects data, including:
 - (a) All direct effect data;
 - (b) The relative success of alternative approaches for producing intersectoral development effects, i.e., multipliers;
 - (c) Country of regional data, as appropriate, on the intensity and extensiveness of problems in sectors indirectly affected by the project;
- ° Indirect effects data, including:
 - (a) Data on past relations with the recipient;
 - (b) Data on recipients' current level of commitment to undertake identifiable and desired activities;
 - (c) Operationally defined targets, i.e., specific actions that would or would not have been taken had the project succeeded in achieving hoped for indirect effects.

Project cost is reported to have three components:

- ° Direct AID and other donor costs;
- ° Host country costs, including all labor and administrative costs;
- ° Costs associated with negative effects of the project, e.g., population dislocation.

The project approval process is reported to regularly consider only AID costs in absolute magnitudes. While other donor costs are normally available for joint efforts, the host country costs considered tend to be only those that comprise the direct host contribution to the project effort. Potential negative effects of projects are reported to be discussed where they are obvious. However, these effects are not usually "costed." The

value/cost assessment that the Agency undertakes is reported to normally be an examination of value/AID cost.

Of the types of cost data identified, AID officers indicate that the only type that is difficult to secure, if it is desired, is the cost data associated with negative effects of the project. The difficulties in this area are reported to be both conceptual and technical.

While the assessment of project value given cost is made based on a combination of hypotheses and data, an assessment of the probability of project success is based on empirical data alone. Probability is essentially a ratio. For a single project hypothesis or assumption, probability is the ratio of the number of times that use of the hypothesis, or reliance on the assumption, resulted in the desired outcome over the total number of hypotheses or assumption was employed. In a typical AID project there are a number of hypotheses and often an even greater number of assumptions. The overall probability of project success is a function of each of the individual probabilities that must be considered, and the relationship of these probabilities to each other.

In no instance did study interviews indicate that the probability of the project success or of any single project hypothesis, was actually calculated. On the other hand, AID officers are reported to use their past experience to arrive at a judgment of the project's chances of success. Interviewees reported that for some project classes a requirement to review past project experience was being incorporated in the project review and approval process. The objective implicit in this type of requirement is to improve the empirical basis on which Agency officers make their quasi-probabilistic assessments concerning project chances for success.

(3) Data Support for Technical Assistance

Whereas the program assessment focuses on the benefits that will be realized if the project succeeds, the technical assessment must determine

whether the specific results promised by the project will be produced. The focus of the technical assessment is thus on the feasibility and cost-effectiveness of the project approach.

While the specific data required for a technical assessment depends in large part on the project, interviewees identified certain basic data that are needed in all such assessments:

- Data on relative effectiveness of alternative project approaches;
- Data on the relative efficiency of alternative project approaches;
- Constraints on application of the technical approach, including:
 - Physical conditions that preclude the approach;
 - Cultural conditions under which the approach has previously proved unfeasible;
 - Organizational arrangement or economic conditions in which the approach has proven unfeasible;
 - Data on the project's physical, cultural, economic, organizational, etc., environment;
 - Project assumptions concerning support to the project from others, and conditions that must remain constant, or vary within some acceptable range;
 - Quality and quantity targets for each specific result that the project is committing to produce.

(4) Data Support for Implementation Assessment

The basic implementation decision made by AID at the time of project approval is the selection of the implementing agent for the project. To support this decision, AID officers indicate that they require data concerning the competence and reliability of the proposed implementing agent. In some projects, particularly projects that involve either a construction element, or those involving a number of elements that are not similar in kind, AID officers indicate that the implementation

assessment included an assessment of the implementation plan. The data they indicate are required for this supplementary assessment include:

- The implementing agent's plan;
- Data on implementation problems encountered in other situations where the project approach was employed.

Host requirements for data relating to AID project implementation include information concerning the number and type of host personnel required for project implementation, and the level of other host resources that will be consumed if the project is carried out.

b. The Decision to Disburse Funds

In a number of classes of AID projects the decision to disburse funds occurs some time after project approval. During the interim period, the recipient of the AID loan or grant is often expected to fulfill a number of pre-disbursement conditions. These conditions are normally defined in the project agreements. The data required in order to actually begin the disbursement of project funds was reported to be evidence, or indicators, that the required conditions had been met.

c. The Decision to Continue Funding in a Phased Project

The Agency's new regulations for project duration outline a method for "phasing" those projects that would take longer than five years to complete. Agency officers indicate that a decision to continue funding for a "phased" project should be supported by data of the following type:

- Data verifying the continued need for project efforts; i.e., the effective demand for project results;
- Data on planned versus actual progress toward targeted project objectives;

- Data verifying the validity of the design hypothesis, including the continued validity of assumptions that affect project success;
- Related efforts AID assumes are being carried out by the host and other donors are in fact being made;
- Evidence that the project efforts rather than other factors are causing changes in the project environment.

d. The Host Decision to Continue Project Efforts

While the study produced no specific information in this area, three types of data appear to be relevant for this host decision:

- Data on project results -- plans, performance, and deviations from plans;
- Data supporting the hypothesis that project efforts will contribute to the achievement of broader host country objectives;
- Data on the human and other resource costs associated with maintaining or continuing the effort begun by the project, including data on the project's original cost estimates and on actual costs incurred.

2. Data Required to Support Unplanned/Formal Decisions

All of the decisions identified in this category address the problem a manager faces when he must unexpectedly make a major project decision. Because the manager does not control the timing of the decision, he cannot pre-define and develop the data he will need. Nor can he realistically demand that "real-time" information on all factors within or affecting the project be available to him.

AID managers who describe the decision making process, when a project situation occurs that is of sufficient dimension to affect the total project, indicate that they want two types of data available to them:

- Information as to the cause of the situation confronting them;
- An overview of progress in the project prior to the development of the unplanned situation.

While AID managers indicate that these two types of data are important for the decision making process, they indicate that their need at this point is not primarily for data. In the unplanned decision situation, the real need of the manager is for options.

Data can support the manager who is trying to define basic options that are open to him in an unplanned situation. A decision to call for a special evaluation of the project can in some senses be seen as a method of developing support for the decision process by defining plausible alternative courses of action.

3. Data Required to Support Planned/Informal Decisions

Two types of planned informal decisions were identified:

- Decisions concerning alternative approaches in the project design phase;
- Decisions resulting from periodic evaluations.

a. Data Required to Support the Assessment of Alternatives

To responsibly select from among alternative project approaches, the project designer needs a great deal of the information, that will later be available for the project review and approval process, including data concerning the magnitude of the problem to be addressed, and data concerning the context of environment in which the project is to be implemented. In addition to information on the problem that the project must address, the project designer requires several additional types of data:

- ° Data on the constraints affecting the design, including:
 - Economic, cultural, and physical constraints associated with the project situation, etc.;
 - Availability of funds (both AID and host);
 - Pre-design commitments, e.g., a commitment to build a facility in conjunction with the project, etc.;
- ° Data on the relative effectiveness and costs of existing approaches for solving the problem;
- ° Data on the distributional effects of existing approaches for solving the problem;
- ° Data on the diffusion effects, secondary effects and other indirect effects of existing approaches for solving the problem.

Once the project designer has selected a basic project approach, he may require additional data concerning:

- ° Relative effectiveness and efficiency of alternative technical methodologies that are consistent with his basic project approach;
- ° Implementation considerations associated with host efforts to implement the technical approaches he is considering;
- ° Cost data on the technical approaches he is considering;
- ° Employment and other distributional effects associated with the technical approaches he is considering.

b. Data Required to Support Decisions Resulting from Periodic Evaluations

The Agency's procedures for periodic evaluation recognize that the decisions that may be required cannot be prespecified. Thus, rather than prespecifying the project decisions, the evaluation procedures specify the timing of the assessment, the date that is to be available at that time: AID personnel indicate that data required for periodic project evaluation process parallels the information that is required to make formal/

planned decisions concerning phased projects. The data required for the periodic evaluation process includes:

- Data verifying the continued need for project efforts; i.e., the effective demand for project results;
- Data on planned versus actual progress toward targeted project objectives;
- Data verifying the validity of the design hypothesis, including the continued validity of assumptions that affect project success;
- Related efforts AID assumes are being carried out by the host and other donors are in fact being made:
 - Evidence that the project efforts rather than other factors are causing changes in the project environment.

4. Data Required to Support Unplanned/Informal Decisions

For the typical project, the decisions made in this category were identified as implementation decisions. In making these decisions, the AID officer has the same basic data needs as in the situation where his unplanned decisions have formal consequences. That is, data on the project status, and a set of options that can be exercised. The manager who is making an unplanned/informal decision concerning the project implementation, normally requires one other type of information. He needs to know the effects of this decision on other aspects of the project, i.e., whether the current decision will adversely influence other project elements and/or project results.

CHAPTER THREE

PROJECT EVALUATION BY PROJECT CLASS

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

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

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

A. INVENTORY OF AGENCY ASSISTANCE

The central feature of an inventory is the classification system used to make that inventory. The purpose of the inventory conducted by PCI as a part of this study was to define a basis for the examination of projects

in terms of their evaluation requirements. The study team recognized immediately that the classification systems currently in use by the Agency had been developed for purposes other than evaluation management. It was also recognized that a classification system for evaluation management could not be developed without a fuller understanding of the relevant dimensions for such a classification schema. The PCI inventory thus accepted the limitations of existing classification systems and applied the most useful of these systems to sort the projects into clusters.

Three basic approaches to classifying project activity are in use in the Agency at the present time:*

1. A budget classification system: The basic divisions of this system are: Development Assistance, Indochina Postwar Reconstruction, Security Supporting Assistance, and Public Law 480 (Food for Peace) Assistance;
2. A technical classification system: The basic divisions of this system are technical, but they are arranged to conform with Congressional concern with specific technical areas, e.g., Food and Nutrition, Health and Population, and Education and Human Resources Development;
3. A management classification system: The basic divisions in this system are the bureaus and offices in the Agency, e.g., LA/DR connotes capital assistance projects within the Latin America Bureau.

In reviewing each of these classification schemes, it was determined that in terms of defining clusters of projects that have basic structural similarities, the management classification system was the most effective approach. PCI's project selection process relied on this classification system to define clusters of projects for review and assessment in terms of evaluation requirements.

* Two additional classification systems have been proposed by the PBAR Task Force: Activity purpose codes and special concerns codes. The classification codes are presented in the June 1975 draft Project Assistance Handbook.

PCI's inventory of the total project assistance system indicated that in absolute numbers, the majority of AID projects are technical assistance projects. The second highest number of new and on-going projects listed in the FY 75 Budget Report was the cluster of capital assistance projects. However, many of these capital projects were found to have been fully disbursed. In terms of dollar value per project, capital projects surpassed technical assistance projects dramatically. In absolute number the PL480 assistance activities carried out by the Agency ranked third.

Classification of the project assistance system by technical area indicated that while the majority of the Agency projects were concentrated in the category "food and nutrition," the second largest number of technical projects was collected under a general term "selected development problems and special funding." This category subsumes all projects which are not in the priority areas of food, health, population, education, etc. Within the category there were a substantial number of capital assistance projects, and all of the Housing Investment Guarantees fell within this category.

A comparison of the proposed projects for FY 75 to the total of old project and proposed FY 75 projects indicates clearly that food and agriculture is the major growth area for the Agency. Conversely, projects outside of the four major priority areas above show a significant decline. In terms of dollar value, the FY 75 budget request indicates a continuing trend toward major development investment through the capital assistance project class. Development investments through technical assistance, PL480 Title II, sector loans and commodity import assistance were approximately equal in dollar volume. However, the proposed funds for any one of these areas was less than half of the proposed FY 75 capital assistance budget.

In the first chapter of the report we presented a total count of the number of old and proposed projects in the Agency. In this section we have presented a number of gross comparisons based on the inventory conducted during the study. On a gross level it is our judgment that this

distribution of projects by field and class is a fair characterization of the Agency portfolio. We do not however trust specific numbers. In fact the only figure in the inventory that we do consider to be accurate is the total budget request for FY 75. Because of the inaccuracies we know to be present in the inventory, we have judged it to be imprudent to present our working papers in this report. We are, of course, willing to review the inventory effort with interested individuals. Our conclusion upon completion of the inventory effort was that a number of offices in the Agency simply do not separate their efforts into discrete projects that can be readily tabulated.

B. CLASSIFICATION OF PROJECTS FOR REPORTING THE STUDY FINDINGS

In the prior section, PCI indicated that the existing classification approaches in the Agency may not be the optimal approaches from the point of view of evaluation management. Despite this caveat, we have retained the basic elements of what we defined as the management classification approach for purposes of reporting the study findings. This approach has been selected, not because it is adequate, but because it is likely to facilitate Agency efforts to review and comment on the study findings. The types of projects managed by the Agency are discussed in terms of three major headings that PCI found to be effective for identifying similarities among the various project classes. The three broad clusters identified by PCI were:

- Field projects, including: Technical assistance, operations program grants, field population projects, capital assistance, sector lending and housing investment guarantees;
- Central projects, including: Research (including experimental projects in the field), institutional development grants, development program grants, centrally managed population projects, and general technical services;
- Resource projects, including: PL480 Title II, cash grants, commodity assistance and foreign disaster relief, and technical field support projects.

As noted earlier, PCI's study effort exceeded the minimum review of projects formally classified by the Agency as "project assistance." Specifically the study exceeded the project assistance review charter to include three types of "non-project assistance:" Cash transfers, commodity assistance, and foreign disaster relief assistance. The study included these activities in order to determine the degree to which the concepts and methods the Agency applies to project design and evaluation can be extended to support these "non-project" efforts.

While the three clusters of projects defined above consider the types of projects actually reviewed in the study, it should be noted that the majority of non-project efforts were not reviewed. However it appears from the general information gathered in the course of the study that efforts such as PL480 Title I, budget support to host countries and to the American schools and hospitals abroad, as well as the training efforts managed through the Office of International Training cluster most naturally with the "resource" group.

The classification of projects into clusters for reporting serves a second basic purpose in this study. One task of an evaluation system that is to serve a large number of individual projects is to identify the dimensions these projects have in common. When common dimensions that cut across a large number of projects in a meaningful way can be identified, the evaluation system can begin to define shared evaluation problems and address them. It is in the interest of both the evaluation system manager and the manager of the individual project to identify patterns in projects that can lead to the development of needed evaluation methodologies. Thus in the introduction to each cluster of projects, PCI identifies the common patterns observed through an examination of a variety of individual projects within the cluster. These common patterns do not constitute a definition of the cluster, but they take a first step toward such a definition.

In the sections that discuss each project cluster, PCI summarizes the results of study efforts to examine evaluation practice and the requirements

for data to support project management decisions for specific project classes. PCI's examination of the practice of evaluation accepted, as an assumption of the study, the Agency thesis the "project design and evaluation are integral." In the third edition of the Agency's Project Evaluation Guidelines, this thesis is outlined as follows:

"Project design establishes the intent, the plan, the means for measuring progress, and the assumptions. Project evaluation reconsiders each of these design elements and then attempts to assess progress...Thus the framework of the original project design is also the framework for the evaluation."*

Agency examination of the evaluation process for non-capital projects, undertaken in 1969-70, had demonstrated that the ambiguities in the design of non-capital projects precluded evaluation.** As a result of this review, the Agency moved to simultaneously improve both evaluation and design in non-capital projects.

PCI's summary of study findings concerning the decisions and supporting data needs in specific project classes is organized to consider both evaluation requirements for the class and the validity of the thesis that design and evaluation are integral for AID projects. The discussion of findings for each project class reports on:

1. Project Design, including:
 - ° The design processes for the sample project(s);
 - ° Degree to which this design process was typical within the project class;
 - ° Applicability of the Agency's logical framework approach to project design within the project class;

* Project Evaluation Guidelines, Office of Development Program Review, United States Agency for International Development, Washington, D.C., 1973, p.1.

** Fry Consultants, op.cit.

2. Project Evaluation, including:

- Evaluation in the sample project(s);
- Degree to which the evaluation practice for the sample project was characteristic of evaluation for the project class;
- Applicability of the AID project evaluation system;

3. Current Support for Project Decisions from Evaluation and Other Analytical Functions

1. Field Projects

PCI's review of projects in the "field project" cluster indicated that while these projects address a wide range of technical areas through loan and grant financed efforts, they tend to share a number of features:

- Projects in the group are generally designed to become operational -- project designs conveyed an expectation that the system or structure created by the project would be used and maintained by the host country;
- The intended beneficiaries of the projects were host country citizens;
- Projects in the group were generally not crisis oriented; they tend to relate to long term plans and host objectives.

In the following sections, each of the project classes included in the "field project" cluster is separately reviewed.

a. Technical Assistance

The Agency's current project evaluation system was designed to meet the needs for evaluation in technical assistance projects. PCI's review of the technical assistance project class is designed to provide information concerning how, and ^{how} ~~how~~ well, the Agency's current evaluation system serves the project class for which it was originally designed. In planning the study's examination of the extendability of the AID project evaluation system, PCI judged technical assistance projects to be the only responsible place to begin. If the system does not serve these projects well, or if it has limitations, system failings may need to be addressed before extendability to other project classes can be recommended.

The classic technical assistance project is directed toward the creation or improvement of institutions and systems within the host country. In a 1972 review of 204 PROPs and PARs for non-capital projects, PCI found that 75% of the projects reviewed contained an institution or system development element.* While technical assistance projects cover the full range of technical fields, they have in common a tendency to attempt to leave behind the capacity required to continue the efforts begun through projects.

Funding for the Agency's technical assistance projects comes from AID's Development Assistance appropriation. Project identification and design activities for technical assistance projects are carried out by the Agency's geographic bureaus through their country and regional operations. Implementation of AID technical assistance projects generally involves a U.S. implementing agent, a host country ministry and AID. While the vast majority of technical assistance projects are grants, a few cases of loan financed technical assistance exist in the Agency portfolio. All of the

* Practical Concepts Incorporated, Indicators of Social and Economic Development: Assessment of Practice in the Agency for International Development, Washington, D.C., 1972.

projects in the technical assistance class are covered by the Agency's project evaluation system.

In making its assessment of technical assistance projects and their evaluation, PCI interviewed officers of the regional bureaus, including the Evaluation Officers for all four bureaus. In addition, the study team examined the design and evaluation practice in four technical assistance projects. The projects examined in this class included:

- Agricultural resource delivery system
(Latin America Bureau)
- Curriculum development/textbook production
(Bureau for Near East/South Asia)
- National economic management system
(Africa Bureau)
- Land redistribution system
(East Asia Bureau)

(1) The Design Process for Technical Assistance Projects

(a) Design in the Sample Technical Assistance Projects

The design process applied for all of the technical assistance projects reviewed in the sample was the Agency's logical framework approach to project design.

Review of four technical assistance projects indicated that:

- Basic hypotheses and assumptions were identified for all four projects;
- Goal level objectives for the four projects were vaguely defined;

- ° Project level objectives, particularly project definitions of end-of-project-status, revealed a consistent ambiguity:
 - To what degree does the achievement of purpose depend upon utilization of the capacity created by the project after AID involvement has terminated?

Discussion of the project design process with AID/W project officers further revealed that:

- ° Training in the use of the AID project design concepts has been uneven;
- ° The interactive process that was expected to accompany use of the logical framework design concepts is rarely undertaken.

(b) Degree to Which the Sample Designs and Processes were Typical for the Class

PCI's interview data indicate that the presence of project hypotheses and assumptions, and the reduction of the project completion issue to a single consistent ambiguity represents a marked change in the quality of the majority of the Agency's technical assistance project designs.

Bureau interviews confirmed PCI's findings from an examination of selected technical assistance projects. Bureau interviews further suggested that the problem of vaguely defined goals and project purpose ambiguity was in good part a reflection of the fact that AID's program development process is less rigorous than its project design process.

The problem of vague goals was attributed to three factors:

1. Agency ambivalence concerning the degree to which AID develops its own programs. AID programs are often reformulations of the programs defined by the host country and by development assistance institutions such as the World Bank;

2. Absence of a rigorous analytical process at the program level in AID;
3. Agency expectation that projects will contribute directly to broad goals rather than support clear intermediate goals that may or may not be defined in Agency programming documents.

Ambiguity in project purpose and end-of-project-status were reported to be a related issue. The Agency project design system requires that the necessary and sufficient conditions for achieving each objective be identified. While it is possible for project officers to identify the conditions required to create a purpose level capacity or system, the absence of an explicit goal precludes comparable application of the design concepts at the next level. The suggestion made by AID officers was that if goal objectives were well defined, the project officer and the program manager could determine the degree to which purpose level success depended upon the creation of a capacity versus the long-term utilization of that capacity by the recipient.

The hypothesis that application of a process, similar to the project design process, at the program level would result in both the clarification of goals and the resolution of project purpose ambiguity concerning the time frame for purpose achievement warrants further investigation.

* In a recent engagement in West Africa, PCI staff members were told by AID officers that the project goal had to be a broad sector or program goal in order to secure project funding.

(c) Applicability of the Logical Framework Approach to the Design of Technical Assistance Projects

Bureau interviewees indicated that the logical framework approach could be applied to all technical assistance projects. Interviewees did not however indicate that the process was necessarily easy in all cases: There is a great need to be "patient with people and help them to see the usefulness" of the approach." Bureau interviewees identified two types of problems that application of the approach tended to bring into sharp focus:

- ° A need to clarify what is expected from a project, e.g., the nature of the institutional capability an AID project is attempting to develop;
- ° A need to develop indicators of measuring project achievement, e.g., criteria for successful sub-projects undertaken by intermediate credit institutions.
- ° A need for methods for testing the validity of project hypotheses (causal linkages).

One further issue identified by Bureau interviewees was the restriction of the logical framework to four levels, e.g., "I routinely use five or six levels to show that the matrix tail isn't wagging the rest of the project." The use of additional matrix levels is reported to be particularly useful in those instances where project officers were attempting to identify the hypothetical linkage between their project purpose and a goal identified in an Agency program document; i.e., in the clarification of intermediate linkages or sub-goals.

(2) The Evaluation Process for Technical Assistance Projects(a) Evaluation of the Sample Projects

Of the four projects examined by the study, three had been evaluated using the project logical framework as the basis for the evaluative review.

The project officer for the project which did not use the logical framework as a basis for evaluation indicated that such a review should have been undertaken:

"Achieving 2 units is significant if the target is 3, but trivial if the target is 200. Without the Logical Framework to enforce rigor in target setting, much is lost."

Despite general satisfaction with the evaluative process, one interviewee indicated that a project evaluation, as reported in a one year old PAR, had failed to ascertain that:

- "The trainees were not returning to positions where their experience could be applied;
- The total training effort had failed to create the critical mass required to affect the host country decision making process."

(b) Degree to Which the Evaluation Process for the Sample Projects is Typical for the Project Class

Bureau interviews indicated that evaluation practice as reported for the sample projects was atypical. Bureau interviewees further indicated that:

- The PAR requirement had led to a substantial increase in the number of projects evaluated by the Agency;
- Evaluation of technical assistance projects had resulted in project redirection, and in a limited number of cases project termination.

While attesting to these results, and attributing to the evaluation system a trend toward improved project design, Bureau interviewees also reported that:

- The PAR alone does not provide an adequate check on the quality of the Mission evaluation process;
- The quality of the Mission evaluation process is related to the interest of top Mission management; many top managers remain inexperienced with system concepts and uninterested in evaluation;
- The project evaluation system provides AID officers with approaches for assessing project progress (the horizontal logic), but provides inadequate guidance concerning the validation of project linkages (the vertical logic);
- Evaluation is complicated by the fact that the Agency has not developed adequate indicators of achievement for some types of technical assistance projects, e.g., institutional capability.

(c) Applicability of the Agency Evaluation System

Examination of four technical assistance projects, and interviews with Bureau program and evaluation officers has indicated that while the project evaluation system has improved both the volume and quality of technical assistance project evaluation, the system has failed to realize its potential in a number of areas.

In practice Agency experience with the evaluation system has indicated that:

- The evaluation review process is considered to be an appropriate and useful approach for assessing performance in projects designed using the Logical Framework;

- The evaluation process was not systematically resulting in an examination of the project hypothesis;
- The requirement for project evaluation has been insufficient impetus to force clarification of the Agency's program level objectives;
- The PAR either does not provide, or is not adequately examined for evidence of the quality of the evaluation process.

(3) Current Support for Technical Assistance Project Decisions from Evaluation and other Analytical Functions

In Chapter Two an exhaustive identification of project decisions and associated data requirements was undertaken. Suffice it to say that every decision and data need identified for any other class of Agency projects was also identified by someone for technical assistance projects. Thus the entire range of baseline, experience and project performance data, as well as theoretical constructs and a set of project contingency options are required to support this class of projects.

Technical assistance projects are defined through a Mission-level planning process. Areas of project opportunity, as well as specific projects, are reported in an annual country Development Assistance Program (DAP) document. In the DAP, decision makers ideally have access to information on past Agency experience and the experience of others in addition to a theoretical and experimental basis for project decisions. Statistics collected by the host government are reported to be available to AID personnel.

In this section, PCI reports on its findings concerning the prospective and retrospective analytical support available to technical assistance

project decision makers. PCI's findings were developed through study interviews, and through a cursory examination of one DAP and one Mission sector assessment.

(a) Interview Data Concerning Analytical and Evaluative Support for Technical Assistance Project Decisions

The support provided in the areas of baseline, experience, and project performance data, as well as the theoretical support for technical assistance project design, are discussed separately.

(i) Baseline Data

Interviews with Bureau officers indicated that there is no consistent requirement or procedure for the collection of baseline data in technical assistance projects. The DAP is expected to provide baseline data on the country problems and to define a program strategy and areas of opportunity. The development of Agency offices charged with the responsibility for sector planning is reported to have led to an "increasing attempt to see that each project idea is preceded by a sector assessment, including contractor studies if necessary." These sectoral analyses were reported to be a source of baseline data for technical assistance projects. The quality of the statistical data found in DAPs and to some degree in sector assessments was reported to be a function of the host country capacity for research and data gathering.

Bureau interviews indicated that baseline studies are undertaken for some technical assistance projects, and that there has been a slight increase in the number of technical assistance projects that include plans for a baseline study. Of the four informants for the sample technical

assistance projects examined, two were able to report on pre-project assessment. For both of these cases, the interviewees reported that there was a lack of baseline data at the time the project was begun. Both Bureau interviewees and project informants reported that data on the composition of the project target group tends to be scarce.

(ii) Experience Data

Upward of 80% of the study interviewees, and virtually all of the interviewees who deal with technical assistance projects, remarked negatively on the Agency's ability to learn from its experience. Whereas an empirical basis for ascertaining preferred approaches for achieving technical results and distributional effects from AID's varied experience ought to be available, it is not.

Nevertheless AID officers report that there is some effort to apply experience from past project efforts:

"The use of data from old projects for designing new ones has been an issue for years. With the January 1975 directive that it shall be done, people are taking it more seriously. Certain individuals have always done it on an ad hoc basis. References to prior projects are generally references to projects the individual worked on before, or to projects in the same Mission."

In one interview, PCI was told that the same project design kept appearing in country programs around the Bureau as the people who had been originally involved moved from Mission to Mission.

The AID "memory" was the focus of a good deal of discussion as to why AID officers did not incorporate past experience into new project

designs. Interviewees found AID's document service to be wholly inadequate both in terms of the information it contained and the manner in which this information was indexed.

(iii) Project Performance Data

Interviewees tended to identify two types of project performance data for technical assistance projects: Progress reports submitted by the field, contractors, etc., and project evaluation data.

(aa) Implementation Progress Reports

Some form of periodic progress report was identified in all of the discussions of technical assistance projects. The periods reported varied from monthly reports to reports submitted on an annual basis. From these reports, Agency personnel indicated that they were able to determine whether projects were proceeding according to schedule, and within the project budget.

(bb) Project Evaluations and PARs

Project evaluation using the Agency's evaluation system was reported to be a meaningful way of determining project performance for projects that had been developed using the Logical Framework approach. While interviewees indicated that these reviews did result in an assessment of planned versus actual performance on specified indicators, it was also reported that there was a reluctance to "look at the output to purpose linkage." That is, project evaluation is being used to assess project performance at each level, but not to validate the hypothetical relationships between project levels. Similar comments were made

with respect to assessments of the purpose to goal linkage. An example in one of the projects PCI examined confirmed interview data concerning a lack of assessment of the interaction between project levels: A project evaluation had failed to determine that although trainees were returning to the project, they were not being placed in jobs that would allow them to affect the decision making process.

While project evaluation using the Agency system was reported to be a rational approach for performance assessment, the PAR was not considered to be an adequate evaluation report.*

"The four page PAR is nonsense. With an elaborate evaluation you can be sure that the four page PAR is insufficient for people to judge whether the project is sound."

Bureau officers who have attempted to use the PAR as a means of assessing the quality of the evaluation process undertaken by the Mission indicate that they consider the document to be inadequate and/or suspect in this regard.

(b) The DAP and Sector Assessment as Theoretical and Informational Bases for Technical Assistance Project Decisions

PCI examined one DAP and one sector assessment to determine whether such documents (1) provide a theoretical basis for project development, and/or (2) a baseline against which project performance can be measured. The DAP examined for this purpose was not selected randomly. It was recommended

* The PAR was not designed to report on project performance. The PAR in concept is a report on the quality of the evaluation process. However, it is clear from the study that Agency personnel have in a number of instances tried to use the PAR to review the substance of the project rather than the project's evaluation process.

by a Bureau evaluation officer as being the best he had seen in the Bureau. Selection of the "best" DAP for this cursory review was judged to be appropriate since the study teams' interest lay in what DAPs could provide, rather than what was provided by the average DAP. PCI's procedure for the selection of a sector assessment was similarly non-random.

The DAP examined by PCI was found to provide a basis for defining project hypotheses; further, the statistics presented in the DAP suggest that a project team could go to the source of those statistical publications and secure the disaggregate data required to form a baseline for project activity in a specific area.

The DAP did not present a "theory" of development -- an explanatory basis from which project hypotheses could be deduced. The DAP assumed the law of supply and demand as a predictive law for the situation. The basic foundation of the DAP was a set of related hypotheses, or "model." The "model" employed by the DAP was predictive and had been developed from experience data on the country in question as well as descriptive data on the development process in other countries. The set of related hypotheses presented by the DAP were potentially testable. With a reasonably low level of effort, the hypotheses in the DAP could be laid out on a single page, and from the document, a reviewer could also lift out the assumptions the DAP explicitly made in relation to each hypothesis. While the DAP hypotheses and assumptions were quite clear, if one sought them out, they tend to be buried inside of lengthy narrative descriptions of the country situation. It is questionable whether a project team would undertake an effort to bring forward the DAP's set of linked hypotheses prior to developing the logic for a specific project.

The baseline data provided by the DAP was less adequate. While the document did provide aggregate data in some areas -- data that could be disaggregated for project team use -- it did not provide such data in all

of the areas for which it expressed a concern. Whether the additional data is available in the country is not clear. In general PCI found that the data presented in the DAP was not presented in a form that would be useful as project baseline data. What was encouraging was the indication that the data presented was available in country, and thus it would be possible for project teams to secure disaggregated data from the sources used by those who prepared the DAP.

In the sector assessment examined by PCI, both a "model" and a data base were presented. The model presented in the sector assessment was developed based on a combination of experience, or descriptive data, and research findings concerning specific hypotheses incorporated by the model. The statement of the model's hypotheses was found to be slightly less clear than had been the case for the DAP reviewed by PCI. On the other hand the sector assessment had taken greater efforts to identify the specific tests, or project efforts, that should be undertaken should the model be accepted for test in the country for which it was prepared.

In summary, the DAP and sector assessment reviewed by PCI were found to provide a framework of hypotheses in which projects could be structured. Neither analysis presented a clear and general explanatory theory, but the models developed did appear to define an approach to systematically developing and testing against experience hypotheses. In neither case was the baseline data presented put forth in a form which could automatically be used as project baseline.

b. Operations Program Grants

Operations Program Grants are a variant of technical assistance projects. Like the technical assistance project, it is expected that the Operations Program Grant will focus on the development of systems and institutions in a variety of technical fields. Operations Program Grants are distinguished from technical assistance projects in that they are financed with special funds set aside for development projects implemented by U.S. or indigenous private voluntary agencies. Operations Program Grants are coordinated by the Office of Private Voluntary Cooperation in the PHA Bureau. In its October 1974 Report on the Workshop on Grant Procedures, the PHA Bureau defined these new grants as:

"Earmarked for new projects related to employment creation and equitable income distribution and in the areas of food and nutrition, family planning and health, education and human resources development. In this case 'new' means either projects that are new or those ongoing projects which bring in PVOs as implementers for the first time."

Project identification and design activities for Operations Program Grants are to be carried out by private voluntary organizations (PVOs) in conjunction with host country officials, the appropriate AID regional bureau and the PHA/PVC office. Implementation of Operations Program Grants can be expected to differ from technical assistance projects in that the PVO as an implementing agent has, in the past, displayed a greater tendency to work outside of the structure of host government programs than has been the case for bi-lateral technical assistance.

In the grant procedures workshop report, and in the Agency's June 1975 Project Assistance Handbook, the guidelines on Operations Program Grants indicate that while a project logical framework will be required as part of an OPG proposal, the OPG recipients are not presently required to

employ the AID evaluation procedures, i.e., evaluation reviews and PAR submission.* Rather, the Agency's guidelines to PVOs indicate that OPG proposals are to provide evaluation plans that include:

"Schedules of planned accomplishment, giving target dates, data as to conditions at the start of project, and as expected at periodic intervals until the project ends. This schedule of accomplishment is distinct from the schedule of implementation action in that it enumerates the development changes to be achieved (using measurable indicators where possible) rather than the application of resources and effort."

While the guidelines for OPG evaluation do not specify procedures or frequency, they indicate that while AID expects the PVOs to conduct internal evaluation, the Agency also expects to "provide for evaluation of accomplishments by contractor or AID staff, performed either independently or together with the PVO."

Operations Program Grants are a new form of project assistance. At the time of PCI's review, a number of OPG proposals had been received by the Agency and a few had been approved. To make an assessment of evaluation expectations for these new grants, PCI interviewed PHA/PVC and bureau officers who had been dealing with OPG proposals. The study team

* PCI's review noted that in the guidelines prepared for PVOs by the PHA/PVC office the sample logical framework presented was not consistent with the design framework used by AID in the majority of the projects for which the system is applied. The PHA/PVC guidelines omitted the Means of Verification column from the sample logical framework. The study team also noted that in the logical framework prepared by the PVO, this column was included and completed, thus suggesting that the omission in the guidelines had been unintentional.

selected for review an OPG proposal that was undergoing a pre-approval review process in PHA/PVC and in the Africa Bureau. PCI's review of this project, which was designed to create a specialized health care delivery system, involved a document review as well as interviews with PVO representatives, the Africa Bureau officer, and the PHA/PVC representative involved in the project development effort.

(1) The Design Process for Operations Program Grants

(a) Design in the Sample Operations Program Grant

The design process used for technical assistance projects, the Logical Framework Approach, had been used in preparing the OPG proposal reviewed by PCI. Review of the design submitted in the proposal indicate that while inexperienced with the AID project design system, the PVO proposer had identified the general hypotheses for the proposed project. Not unlike the situation found with many regular technical assistance projects, the OPG design had failed to target its objectives above the output level. In concept and in substance the OPG was found to follow the pattern of technical assistance projects.* The only difference

* In January 1975, the PCI staff trained a group of 28 PVO staff members representing some 20 PVO organizations in the use of the logical framework approach. Members of the group were asked to complete a homework assignment to put their own projects into logical framework format. The projects used in this assignment included a project concerned with the equitable distribution of profits from improved farm production, one dealt with multiple cropping and a final project considered a traditional PL480 Title II feeding program. None of the trainees experienced major difficulties in applying the logical framework concepts to the activities in which they were engaged.

revealed by the PCI examination was that the OPG was fully developed and was to be managed by the PVO rather than by AID. The set of goal level objectives for the project were objectives identified by the PVO rather than by AID. The different basis from which the higher level objectives were derived had not however led the PVO to define objectives that were inconsistent with AID's objectives. In addition, the degree to which the project was to be an effort that related to host government and local private institute efforts suggests that the PVO and host country objectives were consonant.

Discussion of the OPG design with a geographic bureau informant indicated that the design standards being applied in the review of the OPG proposal are perceived to be less stringent than those normally applied to an AID project. The informant found the design to be too general, and the hypothetical relationships to be tenuous. The interviewee expressed a concern that the Agency would:

"Let (OPG) projects by without stringent controls if they meet certain minimum requirements because of the policy for greater PVO and less AID involvement..."

(b) Degree to Which the Sample Design and Process were Typical for the Class

Interviewees from the geographic bureaus reported that as a class, OPGs are not distinguishable from regular technical assistance projects, except by the fact that they are developed and managed by private voluntary organizations. The PCI team further found the concern with the quality standards that would be applied in the review of OPG projects to be a general one in the bureaus. Interviews within PHA/PVC indicated that the sample project was similar to the other proposed OPG projects submitted to that Bureau.

(c) Applicability of the Logical Framework Approach to the Design of Operations Program Grants

There do not appear to be any major impediments to treating the OPGs as a variant of the technical assistance project class, and requiring that these projects comply with the design approach and the design quality standards applied to technical assistance projects.

On the other hand, it should not be expected that the design process -- the process of objective formulation and project identification -- will exactly parallel the AID process. Interviews conducted in this study, and PCI's past experience with PVOs that work with AID, indicates that these organizations tend to have a set of internal processes that, while not in conflict with the Agency processes, are different from them.

(2) The Evaluation Process for Operations Program Grants

(a) Evaluation of the Sample Project

The guidelines for OPG projects do not specify the evaluation procedures for OPG projects in detail. In the sample OPG reviewed by PCI, the OPG proposal put forth a general evaluation plan:

"...semi-annual reports will be submitted...(that) will analyze the project's progress in light of inputs, outputs, output indicators as outlined in the logical framework matrix. Upon completion of the project, a final analysis will be submitted and will review the overall performance of the project with respect to achievement of project output, purpose and goal."

This project, while not intending to utilize the AID forms, e.g., the PAR, does propose to apply the spirit and the discipline of the Agency's internal evaluation system.

(b) Degree to Which the Evaluation Process for the Sample Project is Typical for the Project Class

It is too early to comment for the OPG projects as a class as to what typical evaluation procedures will look like. In some projects, such as the case examined by PCI, the process is likely to closely parallel the Agency's own process. On the other hand, PCI's discussions with PVOs over the past three years, and interviews conducted during the course of this study, indicate that some of these organizations are considering developing evaluation systems that are responsive to their internal needs as well as providing a basis for responding to AID's evaluation requirements.

(c) Applicability of the Agency Evaluation System

The specific procedures outlined for the Agency's evaluation system were developed for AID as an organization. The structure of the PVOs as organizations tends to differ from the AID organization, and they tend to differ from each other. In the small PVOs the organizational arrangements tend to be less complex than is true for AID, while in larger PVOs the organizational structures may well be as complex, and tend to have just as many traditions concerning the "way things are done" as AID does. Efforts to completely transfer the Agency process for evaluation into these organizations would in most cases require that the PVOs undertake internal reorganizations. There appears to be no compelling reason why such a complete transfer of the AID evaluation process cum organizational arrangement should be considered.

On the other hand there appear to be advantages to applying some of the Agency's evaluation concepts to the PVO efforts, including:

- ° Performance measurement against stated objectives;

- ° A process for evaluation that focuses on replanning during the project life, and on the use of past evaluation to assess and improve new project design;
- ° An interactive process that involves the parties affected by evaluation in the evaluation process.

It would appear that while AID can require that the first of these components be included in the PVO approach to the evaluation of OPG projects, the second two dimensions can only be recommended and their value demonstrated through AID's own beneficial use of an interactive and neutral evaluation process.

(3) Current Support for Operations Program Grant Project Decisions from Evaluation and other Analytic Functions

It is the presumption of this section that the majority of decisions that are required for technical assistance projects will also be required for Operations Program Grants. Evaluative support in the areas of baseline, experience and project performance data will be required, as will access to the same body of theoretical constructs as are required for technical assistance project teams.

OPG projects appear to be developed in one of two ways:

- ° As a result of a coincidence of a host country problem, a PVO willingness and ability to assist in solving that problem, and host interest in having PVO assistance;
- ° As the result of a general plan outlined by a regional or international network of PVOs that includes host country and U.S. representatives.

Investigation of the programming process undertaken in the latter instance was beyond the scope of the present study.

The single OPG reviewed by the study was found to be supported by several data sources. Baseline data on the problem addressed had been secured by the local PVO staff and from the counterpart organization in the host country. The PVO reported that the host government had already developed some experience data in the technical field, and that the PVO itself had 14 years of experience in the technical area addressed by the project. However, the proposal did not define the outcomes of either the host or PVO experience in terms that were measurable, or could be verified. The cost per beneficiary was identified for the host experience, but no comparison of the proposed project approach to alternatives was made.

The PVO proposers thus did appear to have access to some sources of baseline and experience data. However, the quality of these data could not be assessed from the documents reviewed. The PCI team was not able to accurately assess the range of data available to the PVO. However, the document base, an OPG proposal, was not considered to be adequate for this purpose, since the intent of the document was not to itself be a data base. Review of the proposal and discussions with the PVO and other PVOs indicated that to a certain extent they have information concerning past project efforts in which they have been involved. However, this information, like AID's own "memory," tends to be more in the minds of the PCI personnel than in the written record, and further tends to be as decentralized as its personnel are disbursed.

c. Field Population Projects

Field population projects are undertaken with Title X funds; they require reviews and approval by a centralized office with the Agency. Population funds are used in the AID Missions to support bilateral projects. In the course of the study PCI reviewed one such project: a project designed to develop an institutional capability for providing maternal/child health and family planning services through a government health program operating in a rural area. PCI also interviewed PHA/POP officers with responsibility for regional program efforts.

Bi-lateral projects in family planning are normally undertaken on a grant basis. These grants are developed as the result of joint efforts by the PHA/POP office, the AID Missions, host governments, and where appropriate, private institutions. Implementation of PHA/POP funded projects varies by the type of project and the implementing agent involved. The PHA/POP office requires logical frameworks, and annual evaluations resulting in PARs from all Title X projects in the Missions.

(1) The Design Process for Field Population Projects

(a) Design in the Sample Project

The Mission population project examined by PCI differed in no important regard from other technical assistance projects examined in the study. The project objective involved the development of an institutional capability. The hypothetical linkages in the project and the measures of achievement were similar to those used by AID officers in assessing institutional effectiveness in a variety of technical fields. The project design had been expressed using the logical framework approach.

Operationally the only difference between this project and a regular Mission technical assistance project was the source of project funds. The funds for the project came from PHA/POP, and PHA/POP officers had been involved in the design and approval of the project.

(b) Degree to Which The Sample Project Was Typical for the Project Class

PHA/POP interviewees indicated that the Bureau had undertaken a "prioritization exercise" to establish a list of countries with important problems resulting from their birth rates. This prioritization exercise was reported to consist of a review of (1) projected population growth rates, (2) an index comparing country birth and death rates to the rates for an average developed country and (3) the gross national income per capita for each country examined. Mission project requests are reviewed in the light of the priority list and the Mission Development Assistance Program (DAP), to which the PHA/POP office looks for an overview of the population problems in specific countries.

PCI interviews with PHA/POP officers indicated that the PHA/POP office supports a variety of types of projects. The field population project examined by the study was reported to be typical for the group of PHA/POP projects that provide a substantial technical assistance component. The sample project was however reported to have one unusual feature: the manner in which multiple donors were working together with the host government to achieve the project objectives.

"This type of multi-donor activity, on the scale planned for the project, had not been attempted before"

The project informant also indicated that past AID experience in multi-donor efforts would have been useful to the project team.

(c) Applicability of the Logical Framework Approach to the Design of Field Population Projects

A recent memorandum prepared by the Director of PHA/POP indicates that the logical framework design approach is to be used for all PHA/POP projects. PHA/POP interviewees who deal with the geographic regions indicate that the approach is applicable for population projects. The study identified no major difficulties with the Logical Framework as an approach for the design of Mission population projects.

The logical framework approach to project design was reported to have been in use by the bureau for several years. Further, the process was reported to be an interactive and iterative one:

"There was an old logical framework for the project which was not very good. Several people from PHA/POP/Africa and from the Africa bureau have been involved in the development of a new one, based on information and ideas submitted by the Mission."

(2) Evaluation of Field Population Projects

(a) Evaluation in the Sample Project

PCI's AID/W informant for the sample project identified three types of assessments that are made of performance in the project. The first type of assessment was a site or "safari report". These reports, made at fairly regular intervals by the Mission population officer, deal with project implementation. Secondly, the Mission annually undertakes a project review and prepares a PAR on the project. In addition, a Project Evaluation can be set up in AID/W when PHA/POP felt such a

review is needed. In discussing the various evaluations applied to the sample project the AID/W informant indicated that the focus of these evaluation reviews was prospective in nature, and aimed at resolving problems in the project. The project informant indicated that there had been no difficulties in Agency evaluation process, however, it was reported that some problems

..."come from how rigidly you view the logical framework. If you put 65% on a target and only 40% is met this is still not really failure -- you could call it success -- if the initial population covered by health delivery services had only been 5%"

(b) Degree to which the Evaluation Process for the Sample Project was Typical for the Project Class

Bureau interviewees who deal with Mission projects indicated that Mission population projects are supposed to be evaluated in the field, and PARs submitted to Washington. This process was reportedly followed with the majority of projects. AID/W population officers indicated that they received little value from the PAR reports that follow a Mission evaluation. Evaluation plans for the Mission projects are reportedly set up in the project approval documents and include evaluation mechanisms as well as an identification of when evaluation will be undertaken and whether or not a team will be sent out to assist with the evaluation effort. In the AID/W review the PHA/POP desk officer chairs the evaluation review. Interviews further indicated that while PHA/POP undertook project evaluations using the system, the quality of evaluation was not yet what it should be . . . "it depends on what is being assessed, construction is easy to assess, technical assistance is more difficult".

(c) Applicability of the Agency Evaluation System

The AID project level evaluation system concepts appear to be fully applicable to field population projects. The problems for population project evaluation are reported to be the same measurement problems faced by other technical assistance projects, e.g., measures of institutional capacity, measures of prevention, etc. The AID evaluation system is now applied to field population projects through the regular Mission reviews. In addition some projects are subsequently reviewed in Washington using a variant of the Mission process for evaluation reviews.

(3) Current Support for Field Population Project Decisions from Evaluation and other Analytical Functions

Field population projects, like all projects employing Title X funds have a central objective of fertility rate reduction. In addition, field population projects interface with AID mission objectives that address population issues. These objectives are outlined in the Mission DAP.

The PHA/POP analytical approach to the selection of countries that warrant project assistance empirically determined based on birth rate and GNP measures. PHA/POP does not make extensive use of past projects results in designing new projects. Little information on past project experience is reportedly available to the PHA/POP project planners. Baseline data on the specific context for a project is reported to be scarce. However, the office does have a great deal of statistical evidence concerning the relative effectiveness of different types of host country population programs on birth rate. This information is brought to bear on the POP/PHA decision making process for projects. Feasibility studies, as such, are reportedly not undertaken for field population projects. AID assessments of the local situation are normally made in the field by Mission and PHA/POP officers.

Output performance data is reportedly available on the majority of projects. There is some difficulty in defining purpose and goal level indicators. Evidence of project achievement at these levels, even when it is the result of subjective assessment, is normally available to PHA/POP decision makers.

d. Capital Assistance Projects

Whereas technical assistance projects are concerned with the development of human resources, the pure capital assistance project is normally directed toward the creation of a physical resources required for economic development, and the transfer of the management and maintenance of that resource to the host country. Capital assistance projects in the Agency are funded from the Agency's Development Assistance appropriation, and from the appropriation for Security Supporting Assistance in a few instances.

The Agency manages its capital assistance efforts through the regional bureaus. The loan agreements that provide the basis for capital assistance efforts are negotiated bi-laterally. The portfolio of capital assistance efforts currently includes projects that are designed solely for the purpose of creating a major capital facility. But as one capital assistance officer has pointed out: "For some time now, many capital assistance projects have been a mixture of capital assistance, technical assistance and institutional development."

Capital assistance projects, until recently, have undergone a project identification, design and approval process that differed from the process followed for technical assistance projects. As the result of an Agency-wide review of management systems by the PBAR Task Force, AID has decided to integrate the procedures used for the design and approval of capital and technical assistance projects, placing both types of assistance under the same basic design regime. At present there is an ongoing dialogue in the Agency concerning the application of the project evaluation system used by the technical assistance managers to capital projects. Experimentation with the use of the project evaluation system for capital projects is underway in at least one regional bureau. The

Office of Program Evaluation is carrying out discussions of the possible advantages and disadvantages of applying the project evaluation system to capital projects in other bureaus.

PCI selected three capital, or loan assisted projects, for review in the course of this study. The projects selected for review span the range of project types funded with capital assistance, or loan, funds. The projects selected included:

- The construction of a dam in the Near East/South Asia region;
- A mixed capital and technical assistance project in the area of livestock production in the Africa Region;
- A loan funded technical assistance project in education planning and management in the Latin American Region.

In addition to the projects selected for review in this study, PCI made use of data on capital project design and evaluation that was emerging in a parallel engagement with the Africa Bureau to assist that bureau in developing a Mission level Management Information System. Data from this project allowed the study team to review a total of nine, rather than three, capital assistance projects in the course of this assessment. In addition to reviewing specific capital projects, PCI staff for the study interviewed the loan office personnel in each of the regional bureaus and reviewed the documents and memoranda in the Office of Program Evaluation concerning the extension of the project evaluation system to capital projects.

(1) The Design Process for Capital Assistance Projects(a) Design in the Sample Projects

The sample projects reviewed by the study team included three variants of loan funded assistance:

NEA Bureau:	Pure capital assistance
Africa Bureau:	Mixed capital and technical assistance
Latin America Bureau:	Loan funded technical assistance

The discussion of capital assistance project design in this section omits discussion of the loan funded technical assistance project. There were no major differences found from either a design or evaluation perspective between the loan funded technical assistance project and grant funded technical assistance, except for the type of funds provided and the explicit requirements on AID and the recipient associated with the funding arrangement.

Neither of the projects reviewed in the capital assistance class had been developed using the logical framework approach. One of the projects was relatively new, and the other was quite an old project. The examination of project designs with AID/W project informants indicated that in the mixed capital and technical assistance project, the technical assistance components were similar in all regards to the type of elements found in a purely technical assistance project. Thus the examination of project design with the informants for the sample projects centered on the purely capital element of the design and its relationship to the total project.

For both of the sample projects there was some discussion concerning the relationship of the capital elements of the project to the project purpose. While the technical specialists associated with the capital

assistance elements of each project were reported to consider completion of the physical element of the project to be project purpose, neither of the AID/W project informants found this assessment to fully represent the project intent. In both instances, AID/W project informants indicated that the reason for undertaking the capital project was not simply to complete a physical facility and demonstrate that the facility met technical specifications under operational conditions. In examining the designs for the two sample projects PCI found that in one case the technical view tended to predominate, whereas in the other the motive for the project's physical facility was identified as the project purpose. Even in the instance where the technical view had predominated, the AID/W project informant indicated that at the purpose level, the facility must meet cost/per unit to user objectives as well as production capacity specifications.

Discussions of other aspects of the sample project designs indicated that the project informants found no difficulty in specifying the objectively verifiable indicators of project performance at the output level for capital projects. On the other hand, AID/W project informants for both projects indicated that, in spite of the fact that political objectives had not been explicitly expressed, such objectives existed for both projects, i.e., good will created by the capital project effort was expected to have results that bore little relation to the specific results achieved by the Project.*

(b) Degree to Which the Sample Project Designs were Typical for the Project Class

PCI interviews with Development Resources officers in the four geographic bureaus indicated that the examined project sample was in fact typical for

* (Editor's note: While this report had not made explicit every project situation where such objectives were identified, it should be noted that other classes of projects also face this issue.)

the project class, both in substance and in the problems faced using the Agency's logical framework design approach. The sample projects had not been designed using the logical framework approach and neither have the majority of the Agency's capital assistance projects.

Bureau interviewees indicated that capital assistance projects, unlike the majority of the Agency projects, are normally preceded by feasibility assessments. The major task in the capital project is reported to be the development of a valid preassessment study upon which to base the assessment of project time and cost, and the actual management of the project such that the facility is in fact completed within budget and schedule constraints. Interviews with Bureau personnel further indicated that the political nature of some of AID's objectives did tend to be a typical factor in capital project development, particularly in projects funded from the Security Supporting Assistance appropriation.

(c) Applicability of the Logical Framework Approach to the Design of Capital Projects

Study interviews indicated that there are two problems to be addressed in applying the logical framework approach to capital projects:

- ° Clarification of the system design requirements;
- ° Resolution of the degree to which the Agency is willing to deal directly with political objectives in projects.

i. System Design Requirements

The system design requirement issue raised by capital projects, a problem that appears to be posing difficulties for projects other than capital assistance as well, was whether the definition of a development hypothesis in the project design system includes or excludes

hypotheses with a probability of unity. This question, which has impact for the capital project class is discussed in Chapter Seven: Planning Design Standards and Methods.

ii. Political versus Development Objectives

PCI's finding that projects tend to have both political and development objectives does not suggest a solution to the dilemma faced by AID officers who try to apply the Agency project design system. What this finding does suggest is that the Agency must consider:

- Whether it is willing to accept political objectives as the pacing objectives in some projects;
- Whether achievement of political objectives can be illuminated by application of the Agency's design and evaluation system.

While the first of these decisions may be outside of the scope of the evaluation function, the latter could well be addressed by that function. In defining the directions for Phase II, the Agency should consider whether there is value to be realized by attempting to develop the measures of achievement of political objectives that would facilitate efforts to make those objectives explicit and evaluable, where AID found this to be desirable. What should also be noted is that in most cases where political objectives have been reported to the PCI team, valid development objectives for the project have also existed.

(2) Evaluation of Capital Assistance Projects

(a) Evaluation in the Sample Projects

Implementation monitoring was reported to be an ongoing process for each of the capital projects reviewed. No evaluation of the projects was included in project plans.

Practical Concepts Incorporated

(b) Degree to Which the Sample Projects were Typical for the Project Class

Evaluation as such has not been required in the Agency's capital assistance projects in the past. In January 1975, AID issued a set of guidelines for the evaluation of capital projects, Bureau interviewees reported that in some cases capital assistance projects had been evaluated. Specifically the evaluation of projects was reported to occur:

"In countries where you have an active program in the same country and future projects that can learn something useful."

Interviewees generally indicated that they were skeptical of the value of a capital project evaluation, undertaken "years ago" in another country, for planning new capital projects. On the other hand interviewees in the Latin America Bureau indicated that they are attempting to force evaluation into all new loans:

Specifically, (a) they provide some money in the loan to pay for evaluations; (b) an evaluation plan and periodic evaluation becomes a condition precedent for the first or second transfer of loan disbursements; (c) AID undertakes efforts to institutionalize the evaluation process during the disbursement period; and (d) baseline studies are encouraged or forced in early.

(c) Applicability of the Agency Evaluation System for Capital Projects

The January 1975 Capital Project Evaluation Guidelines prescribed the Agency evaluation system for capital projects. In the prior discussion of project design, two of the major issues raised concerning the application of this system have been discussed:

- ° The nature of a development hypothesis -- Agency definition of acceptable hypotheses;
- ° Political objectives.

In this section PCI reports on and discusses two other key issues that have been raised concerning the evaluation side of the Agency's project design and evaluation system:

- ° Constraints on AID's ability to redirect loan projects as a result of evaluation;
- ° The focus for evaluation and evaluation frequency.

1. Constraints on Replanning Capital Assistance Projects

Two types of constraints on the replanning of capital projects, as a result of evaluation, were raised in the interviews and in Agency memoranda concerning the application of the evaluation system:

- ° Ability to adapt to changing policy environments;
- ° Legal constraints on directing loan activities.

(aa). Responding to Changes in the Environment

Interviewees and Agency memoranda indicated that the guidelines on "design clarification" for capital projects are perceived to require that AID capital assistance projects be redirected in the light of the Agency's changing mandate. They further indicated that efforts to respond in this manner were less relevant for capital projects than for technical assistance projects, e.g., a highway simply is not a farm to market road.

PCI reviewed its experience and the experience of AID officers with the practice of project design clarification in technical assistance projects, and examined the guidelines that AID had issued for capital assistance evaluation. This examination suggested that there may have been some ambiguity as to what types of changes in the project environment should be considered during the design clarification process. In the third edition of the Agency's Project Evaluation Guidelines the design clarification process was described as a process for reformulating

the design of a project such that the intent of the project is accurately and briefly conveyed through a series of hypotheses, and the assumptions on which those hypotheses are identified. The subsequent steps recommended include the definition of measures and targets for assessing progress where no such identification has been made. The Capital Project Evaluation Guidelines presented rather fully a discussion of design clarification in light of changing host and AID policies.

The use of the design clarification process for technical assistance projects over five years demonstrated that in some instances the process would reveal that a host country policy or set of objectives had been so thoroughly revised as to make continuation of the project meaningless; e.g., a decision not to colonize a particular region made obsolete the AID technical assistance effort to train and station health aides in the region. In a parallel situation for capital assistance, the value of continuing to build a road into the jungle could also decrease dramatically...possibly to the point where the resources set aside for the road should, in both AID and the host's estimation, be diverted to higher priority activities.

The Agency has found that there are times when rationality dictates that a project be redirected. It is to these situations that the earlier guidelines concerning the design clarification process were addressed. In the type of situation envisioned, it was fully expected that an assessment of the evidence would lead both AID and the host to the conclusion that project efforts should be redirected.

(bb). Legal Constraints on Project Redirection

AID redirection of a loan following evaluation was reported to be difficult for bi-lateral assistance projects. PCI's findings however

indicated that, in at least two Agency loans where evaluation or replanning exercises with the host government had been undertaken, these exercises resulted in a bi-lateral agreement that the loan project should be redirected. Where this type of agreement was reached, Agency personnel indicated that there were no major problems in undertaking the adjustments required to refocus project activity.

The issue then appears to be one of the degree to which the evaluation is a joint undertaking in which all parties share in the assessment of the evidence. In the interviews that discussed the possibility that a legal constraint would prevent redirection of a loan, PCI gained no information concerning instances where a project assessment or evaluation had led to this type of situation. Based on findings to date in this area, it appears that the Agency could continue to deal with legal constraints on a case by case basis as they actually come up. The option is an examination of the alternative approaches to loan development available to the Agency. Study findings indicate that, at least in part, the Latin America Bureau may be in the process of addressing this issue.

Based on this study, the potential for legal complications does not appear to be a sufficient basis for precluding expansion of the practice of evaluation.

ii. The Focus for Evaluation and Evaluation Frequency

Bureau interviews and memos revealed a general concern with the frequency of evaluation. Annual evaluation was reported to be inappropriate for projects that would not be operational for a number of years. PCI's review of interview notes, and Agency papers that raise the subject, indicated that the issue underlying the discussion of frequency may be

a discussion of what constitutes the proper focus for evaluation in capital projects.

As an illustration of evaluation focus, let us take for example the problem faced by the "project manager" for the building of Brazilia. While the manager's direct concern may have been the construction of roads and buildings, the development of a new capital would not have been successful if the city was never populated. The objective addressed by the manager's project was the development of a new capital. Whereas he was required to monitor progress on the road and building efforts, his periodic evaluation had to consider factors that affected total success, some of which were not under his direct control. The indicators that the Brazilia "project manager" had to consider in periodic evaluations would have included the rate of colonization, and the degree of determination of the government officials that the new city would in fact be the functioning seat of government. Periodic evaluation forces the project manager to consider the supplementary requirements for success even when it is clear that the elements under his control are being produced.

The logic of the "Brazilia project" is the logic that the Agency attempts to force in requiring the periodic evaluation of technical assistance projects. As far as PCI's examination of capital projects was able to determine, it is this same type of logic that the Agency is attempting to encourage for capital projects. In summary, PCI's examination of the frequency issue suggests that the first issue to be resolved addresses Agency expectations as to the focus of capital project evaluation. A decision as to specific timing is related to that determination.

The issue of evaluation frequency is treated in detail in other sections of this report. In those sections, the manpower aspects of frequency that affect all classes of Agency projects, as well as other potential

costs and benefits associated with the issue of evaluation frequency, are reviewed.

(3) Current Support for Capital Assistance Project Decisions from Evaluation and other Analytical Functions

The basic decision in a capital assistance project is the commitment of funds and approval of the loan. At present, capital assistance is reported to involve less post-funding decisions than other classes of Agency projects.

Capital assistance projects are identified in the Mission DAPs and supported within those analyses by general data on the country, an assessment, and in some instances development problems that require a capital or mixed capital and technical assistance solution. In other cases capital assistance is reported to be provided in connection with objectives that are not derived from the assessment of the country's development problems.

Capital assistance projects are normally preceded by feasibility assessments that in some instances provide project baseline data as well as engineering requirements and specifications. Capital projects have not been subject to the Agency's evaluation requirement in the past, and no repository of AID's experience with such projects has been developed. Agency officers are not convinced that evaluations of capital assistance projects will prove useful for future project development. One Agency Bureau is currently undertaking an effort to build evaluation into loan funded activities. Project performance is monitored on a regular basis to ensure that project efforts proceed according to budget and schedule.

e. Project Type Sector Loans

In the Agency's June 1975 Project Assistance Handbook, two types of sector loans are described, and the guidelines indicate that they are to be treated differently:

- "(1) Program Type
These loans are structured to provide support for sector activities over specific borrower budgetary cycles...
- (2) Project Type
...these loans provide support for a number of activities with a given sector based on overall assessment of sectoral development needs, their implementation closely parallels that of project loans..."

Based on the distinction made between these two types of sector lending it was recommended that PCI consider "project type" sector lending in its assessment of the extendability of the project evaluation system.

Project type sector loans are designed to support some but not all of the activities required to achieve the sectoral level objectives defined by a host country within a sector assessment and sector plan. To include project type sector lending in the review, PCI selected a Latin America education sector loan. Interviews were conducted concerning the design and evaluation of this loan with AID/W project informants in the LA/Development Resources office, the regions' technical office, and the USAID officers that administer the loan.

Examination of the sample sector project indicated that in its component parts a set of activities under a sector project tend to resemble either technical or capital assistance projects. There are however some methodological options when considering the utilization of the logical framework approach for sector projects. These options are discussed in Chapter Seven under the title Complex Projects.

f. Housing Investment Guarantees

The Housing Investment Guarantee program is unique in the Agency. Funding for the projects undertaken by the HIG program comes from private U.S. financial institutions and is backed by a U.S. Congressional guarantee authority. PCI's initial review of the 1974 Annual Report on the HIG program suggested that the "typical" HIG project was a low-cost housing demonstration project in Latin America. Based on information in the Annual Report, PCI selected one of these apparently "typical" projects for review -- only to discover in initial interviews with Office of Housing officers that the focus of the HIG program was shifting dramatically.

In October 1974, a policy determination issued by the Office of Housing and the Agency presented the new directions of the HIG program. These new directions included:

- ° Treatment of housing as a sector for AID planning purposes. The "shelter" sector is to be considered in AID country program plans;
- ° Encouragement and assistance to host countries in their efforts to develop shelter sector plans;
- ° Support of shelter sector plans through housing investment guarantees that assist LDCs to:

"Develop the institutional, technological, and financial capacity to provide shelter under reasonable conditions for all levels of society, with emphasis on government actions to meet the needs of the poor."

Based on the refocusing of the HIG program, PCI interviewers were informed that the project directions of the future would focus on the development of local institutions that could develop local financial resources and direct them into housing development opportunities. The information the HIG office provided on its shift in project planning

led the study team to select a second project in the HIG portfolio for review. This project, located in the Caribbean, was designed to create a self-sufficient mortgage bank.

Projects managed through the Office of Housing are not currently required to employ either the project design system used in other Agency projects of the Agency's project evaluation system. Project development efforts in the HIG office utilize design guidelines that are unique to that office. Project monitoring is required but evaluation is not. During initial interviews, PCI staff members learned that the Office of Housing was initiating experimentation with the AID logical framework approach, and had requested a training session for their staff members on the Agency's design and evaluation system.

(1) The Design Process for Housing Investment Guarantees

(a) Design in the Sample Projects

The sample projects examined by the study had different objectives, but the process by which they were developed was similar. While one project addressed the problem of low cost housing directly, the other addressed the problem of secondary market institutions* for residential mortgages that could assist buyers in financing the purchase of reasonably priced homes. Both projects were developed as the result of local interest and a government request for AID assistance. Both projects had been preceded by feasibility studies, and were prepared for AID review and approval in much the manner of a capital loan paper. The financial

* Secondary market in the project meant "tapping of indirect savings (for example, insurance companies and pension funds) through a sale of bonds or other obligations and a rechanneling of these newly acquired funds into home mortgages through a purchase of existing mortgages on a commercial basis."

aspects of these HIG projects differed from AID loans in that they provided loan guarantees, while the actual loans were provided by private U.S. institutions.

(b) Degree to Which the Sample Project Designs were Typical for the Class

In substance the two sample projects were considered to be representative of both the old and new trends in HIG sponsored projects: Housing projects are being replaced by institution building projects that can stimulate local housing development. In design terms, the two projects were reported to follow the standard procedures for HIG project approval as well as the requisite approach to developing the arrangements for project financing. HIG officers indicated that there have been some efforts to test the applicability of the logical framework to HIG project efforts, and the study team was presented with a sample product of these efforts. Recently the HIG office has undertaken a seminar in the use of the Agency system with the support of the AID training staff (PDE).

(c) Applicability of the Logical Framework for the Design of Housing Investment Guarantee Projects

Examination of the two HIG projects, representative of the old and new trends in the HIG program, indicated that there were no major problems in applying the logical framework approach to the design of these projects. In fact HIG officers were found to have less difficulty in specifying the project hypothesis and indicators of project success than were officers who dealt with other project classes. The HIG projects by nature have a reasonably straightforward logic that appears to have facilitated efforts to utilize the Agency design tool. While the SER/H project

informants indicated that they had not in the part tried to define their success efforts at the purpose level, there was little resistance to the idea. In the sample HIG project, as in projects in other classes, the institutional capability measures presented problems for the SER/H project officers.

(2) Evaluation for Housing Investment Guarantees

(a) Evaluation in the Sample Projects

SER/H officers reported that while they did not evaluate their projects, they did monitor the implementation of these projects. Projects were reported to have some baseline data from the feasibility studies, and projects normally had targets for the volume of activity that would be undertaken. Assessments that dealt with the hard aspects of projects, i.e., houses and mortgages were reported to be easy to monitor, while evaluation of the institution building element in the "new style" project was expected to require a different approach than SER/H had used in the past.

(b) Degree to Which the Sample Projects were Typical for the Class

Project evaluation as such is not required at present in the HIG program. On the other hand, borrower ability to live up to loan commitments is viewed to be a sign that the effort has been successful at a basic, financial level. SER/H monitors the implementation progress of projects; through site reports it also attempts to assess the degree to which the housing developed by the HIG efforts in fact goes to the intended recipients.

(c) Applicability of the Agency Project Evaluation System

AID's project evaluation approach appears to be appropriate for HIG project evaluation. At the lower levels, the input-output link, this "evaluation" of projects is already supported by SER/H reports that deal with actual versus planned progress on output level indicators. The difficulties to be faced in applying the Agency system in SER/H projects appear to be the same difficulties faced elsewhere in the Agency -- trained staff, time, and methods for measuring the difficult objectives, i.e., institutional development.

(3) Current Support for Housing Investment Guarantee Project Decisions from Evaluation and Other Analytical Functions

HIG project development efforts are reported to be well supported by feasibility studies. On the other hand SER/H reports that only recently has "shelter" come to be thought of as a sector, and a development problem by the Agency. SER/H is currently working closely with at least two geographic bureaus as efforts are made to assist host countries in developing "shelter sector strategies," and as the Missions begin to integrate shelter considerations into their DAP strategies. The HIG program is viewed within SER/H to be a natural and potentially well integrated part of the total Agency effort in a developing country. The only distinction that forces HIG programs to have a specialized management team is the special financial arrangements required to operate the program. In intent SER/H views its "mission" as an element of a total country strategy.

HIG projects are not currently evaluated at the impact level, nor do they use the Agency procedures for assessment of output level achievement. On the other hand the projects are supported by information concerning planned versus actual performance at this level. Experience with past projects is not formally documented; it is passed orally from one SER/H officer to another.

2. Central Projects

During its review of the cluster of "central projects", PCI identified a series of common features that characterize "central project". The common features of projects in this cluster included:

- The objectives of projects in the cluster tended to focus on new approaches to solving development problems;
- Benefits directly to host country citizens, including the creation of institutions and systems that could become operational, tended to be project side effects rather than indicators of project success;
- While projects mounted in host countries tended to be coincident with host country plans and objectives, the focus of project efforts was on host country development problems as an example of the problems faced by a number of countries.

While the common features identified above are to be found in a great number of the central projects, the number of exceptions to these generalizations is greater for the central project cluster than was true for the field cluster. As we review the project classes within the central project cluster the major exceptions will be identified.

As in the review of finding concerning the "field project" cluster, specific classes of projects in the "central project" cluster are reviewed separately.

a. Research Projects

Research projects funded by the Agency range from pure research to efforts to experimentally test new approaches and technologies for solving development problems. Projects in the class are centrally funded from the Agency's Development Assistance appropriation.

Research projects are developed and managed by the Research Office of the Technical Assistance Bureau (TAB) and by the Population office in the PHA bureau. The majority of the Agency's research projects are carried out by the U.S. institutions; a few projects are undertaken by researchers in institutions that serve regions and specific host countries.

PCI's review the extendability of project evaluation to research projects concentrated on the research efforts managed by the TAB research office, as they tended to represent the range of research investments made by the Agency in terms of the number of development problems addressed. From the TAB research portfolio two projects were selected for examination: one pure research project directed at new crop varieties, and a second project that represented the field experiment category, an experiment in the application of a known technology to problems in the education sector of a Latin American country.

1. The Design Process for Research Projects.

(a) Design in the Sample Projects

Both the crop research and the technology experiment had been developed as explicit research efforts. Partial logical frameworks existed for both of the projects. PCI study interviews indicated

* The logical framework matrix used by the TAB bureau for its projects differs from the format used elsewhere in the agency. The TAB offices, since 1971, have used a 3 x 3 matrix instead of the Agency's 4 x 4. The 3 x 3 matrix omits the goal level and the means of verification column. The TAB 3 x 3 further deviates from the Agency format in not requiring that project assumptions be identified. Rather the third column of the TAB matrix calls for a statement of progress to data at each project level. In the TAB offices goal is considered to be the key problem area addressed by the project.

however that in one case the AID/W project informant was not aware of the existence of a logical framework for his project. The project design documents with which the AID/W informants were familiar were the documents that had been developed for the projects in accord with the TAB research guidelines. TAB research design statements require that the objectives and rationale for the research as well as a project workplan to be presented. Both of the projects had been formally reviewed and approved by the Agency's Research Advisory Committee (RAC) Authorization for the project had come from the Administrator.

(b) Degree to which the sample project designs were typical for the project class

Project development in the research area is undertaken only when research proposals fall within the areas of interest to the Agency. In the Office of Population research projects are expected to contribute to efforts to reduce the fertility rate. In TAB a goal setting exercise was carried out in each of the technical areas. As a result of this exercise, TAB defined a number of "key problem areas": in general between one and five problems of global magnitude were identified for each of the technical areas of TAB. TAB research projects are expected to contribute to the resolution of these "key problems".

The sample projects examined by the study were reported to be typical in the design process they had followed -- proposal development outside the Agency and internal review in terms of "key problem" area objectives. The field experiment examined by PCI was reported, in an analysis by an independent contractor to be one of the few examples of "good" research design in Agency field experiments; i.e. controls were identified for experimental elements of the project.

(c) Applicability of the Logical Framework Approach for Agency research projects

In the original presentation of the Logical Framework approach to the Agency*, the system designers identified the problem facing agency projects to be a lack of clear objectives":

" If you don't know where you are going
any road will get you there"

The design and management problem reportedly faced by research projects in the Agency is that while the final destination appears to be clear, the road is uncharted. In Agency research projects the outputs required to achieve purpose is reported to be an iterative set, with alternatives at a number of points. This problem is reported to be most apparent for the class of pure research projects. The majority of the Aid projects defined using the logical framework approach test hypothesis of the form: $A + B \rightarrow C$. The research project on the other hand tries to define B: $A + C \rightarrow C$, solve for B. The process of solving for B involves completion of a number of experiments, e.g. $[A + x_1] \rightarrow C$, $[A + y_1] \rightarrow C$, etc. Interviewees in the TAB research offices report that they are uncomfortable with the logical framework approach since it forces summarization of the efforts to solve for B rather than explicating these efforts.

"The logical framework is too general for our objectives -- perhaps it would be useful at the very beginning state of the development of the research hypotheses or questions, but not after that..."

TAB project informants indicate that the logical framework was "just an exercise":

* Leon J. Rosenberg, et al, op. CIT

"if people do not have the proper mental attitude it may help them organize their thoughts but basically research is a dynamic entity that is constantly changing.. you are looking for change not a way to get outputs into a box..."

One avenue for investigation for TAB may be to take the logical framework to the bench level. That is, to utilize the framework to define the results of the efforts subordinate to the full research effort, e.g. to state as outputs the results of the set of A + x tests.

While TA research informants indicate that they find the logical framework to be a constraining way of expressing project logic geographic bureau interviewees indicate that it provides for them a basis for determining whether Agency research in fact bears a reaction to the programmatic efforts that are being undertaken in the Missions.

(2) The Evaluation Process for Research Projects

(a) Evaluation in the Sample Projects

Evaluation was considered to be an integral part of the project efforts in both cases. In the field research project the results of efforts and analyses with experimental and control groups were to be compared to determine the effectiveness of the methodology that the project tested. In the pure research projects the results of each individual breeding test constituted an evaluation of the progress of the research. For each of these project annual evaluations were reportedly undertaken. Projects were reportedly reviewed both in terms of research results were being disseminated. A PAR had been prepared for one of the two projects and summarized in narrative from the results of project efforts to date.

(b) Degree to Which the Evaluation Process for the Sample Projects was Typical for the Class

Evaluation for research projects is defined by the Agency in a Manual Order that provides guidelines for utilization reviews, comprehensive reviews and terminal reviews of research projects. In addition research projects are reviewed annually by the RAC. The PAR is a required report for research projects. The sample projects examined by PCI reportedly had a number of methods for implementation monitoring of the project, but there was little discussion of evaluation using the Agency's evaluation system. The RAC review is the focus in discussions of AID research evaluations. The logical framework and PAR process were reported to be difficult because of the problems of quantifying research efforts. The approach also proved difficult in the area of planned versus actual results; "in research you cannot predict... you don't know what will be successful and what will not". Work plan assessments are reported to be a more useful tool for the TAB research monitor.

(c) Applicability of the Agency's Evaluation System to Research Projects.

The Agency's project evaluation system is designed to examine the project not only in terms of its ability to produce outputs but also in terms of its programmatic logic. While the use of the Agency system is reported to constrain researchers description of progress at the output level, it was reported by other Agency personnel to be a way for AID to examine the programmatic logic that justified the research experimentation. While RAC reviews reportedly concentrate on research results, the AID evaluation system is designated to assess the entire logic of the project.

" One Tab interviewer indicated that when he attended a RAC committee review of a research project and asked why the project was being done, and why the countries selected had been selected found that no one involved with the project could answer his questions.

In terms of providing a basis for the programmatic assessment of the research projects the Agency evaluation system appears to be as appropriate a vehicle as any other. The RAC reviews do not appear from interview data to be a substitute for such programmatic reviews. While potentially appropriate for the evaluation of AID research projects, the AID system is not currently applied to research in the manner in which it is applied to other projects. The requirement for utilization reviews are the closest approximation to the intent of the basic agency system as it applies to research. Study interviews provide little information on the quality of the utilization reviews as actually undertaken for research projects.

(3) Current Support for the Research Project Decision Process from Evaluation and other Analytical Functions

Research projects in the agency do not appear to be developed as the result of AID calls for research, in the general case. Rather the research proposals are developed independent of AID and submitted for consideration. AID reviews concentrate on the needs in the general field, and move to the research methods proposed. Research results are normally reported in the general literature and thus are more readily available than is data concerning AID's past experience in other areas. The field experiment examined in this study provided one of the few instances where an AID project had collected baseline data against which to measure project performance.

Progress statements in terms of research workplans, as well as the actual research results are reported in TAB to be the main requirements for the decision making process once the project has initially been approved.

b. General Technical Services

General Technical Services is not one class of projects -- at minimum it is two classes. Within the range of efforts under the heading General Technical Services, PCI found that most projects in the group could be divided into two sets:

◦ Methodology Development Projects

Projects in this cluster ranged from efforts to develop measurement approaches of use throughout the Agency to quasi-experiments in host countries designed to test new project approaches.

◦ Field Support Projects

Projects in this group tended to be similar in concept: field support projects provided a convenient and systematic method for supplying short term technical consultants for field projects.

The methodology development projects under the GTS class were found to be similar to other projects in the "central project" cluster. Field support projects on the other hand were the primary exception to PCI's efforts to define common characteristics of "central projects". While the field support projects proved to be the exception for all generalizations concerning central projects, they tended to fit into the project patterns identified for the cluster of "resource projects", the subject of the next section of the report. Because of their similarity to projects in the "resource" cluster, we have deferred discussion of field support projects to that section.

The methodology development projects undertaken through TAB's office for General Technical Services follow many of the project development and evaluation patterns identified for TAB research projects. That is, while TAB's General Technical Services projects are required to use the logical framework (the 3 x 3 TAB version) for TAB's program reviews, the logical framework is not the primary mode for conveying and reviewing project design. General Technical Services projects are required to undertake project reviews and prepare PAR's.

As part of the review of the extendability of project level evaluation, PCI interviewed TAB officers that deal with the GTS projects, as well as the Evaluation Officer for the Bureau. In addition to these interviews, PCI assessed two GTS projects within the methodology development cluster: in one project a technology was being tested for application to LDC problems, in the other project a new approach to health care delivery was under investigation.

(1) The Designing of General Technical Services Projects

(a) Design of the Sample Projects

The sample projects reviewed in this section were drawn from the group of GTS projects that address methodological issues. Both of the projects were experimental in character, but review of the GTS experiments by an independent contractor* had indicated that these projects tended to be "quasi-experimental" in fact. That is, controls were not provided for all of the experimental efforts undertaken.

* Robert F. Boruch, Applications of Randomized Experiments to Planning and Evaluating AID Programs, Oct 1974, Contract No. AID/cm/ta-c1055

Both projects had components that were to be carried out in the developing countries. Mission agreements as well as host country agreement was reported to be required for methodology projects that would carry out their tests overseas. Both of the projects were designed to test specific approaches to solving problems that are common to a number of developing countries. And while neither of the projects had been developed primarily to bring benefit to the specific test country, project informants in each case found the benefits provided through the projects to be an important side effect of the GTS effort.

Examination of the project designs with TAB informants led in one case to a reassessment by the project informant of the degree to which the existing logical framework actually presented project intent. In this case the project informant upon review of the existing logical framework decided that the stated purpose was well within the manageable interest, or scope of work of the contractor, and should be moved to the project's output level.

(b) Degree to which the Sample Project Designs were Typical for the Project Class

While the two projects examined by no means cover the range of technical interests addressed by GTS projects, the design process was reported to be typical for the class. GTS projects are often initiated as the result of the interest of researchers and experimenters in testing a methodology, on other occasions they result from the identification within AID of the need for a new methodology. In either case these projects are designed and approved in approximately the same manner as are technical assistance projects. The TAB technical offices work with the bureaus in defining where project efforts can be undertaken.

(c) Applicability of the Logical Framework Approach to the Design of General Technical Services Projects

PCI's examination of the methodology development and test projects undertaken by TAB program of General Technical Services indicated that there were no major problems in applying the logical framework approach to the design of this type of project. In fact, review of the project logic was found during the study to clarify project designs for the TAB project officers. Deletion of the goal level from the TAB design matrix tended to focus project planners on the specific result of the project effort, and away from the degree to which the project would affect the core problem it addressed. Study interviews indicated that the original effort to redesign all TAB projects in the TAB 3 x 3 had "been a mistake" that succeeded in developing an unwillingness to work with the design system even where that system would have clarified project designs. Project designs are intended to evolve from the nature of the "key problem" the address bureau interviewees reported. The project team examinations of sample projects indicated that while projects were undertaken in "key problem" area their linkage to the solution of the key problems was not always explicit.

"... there is a tendency to create a weapon and then look for a war."

Complicated field experiments were reported to be difficult to design using the system, but the results of bureau efforts had indicated that the effort was generally worthwhile: "it's a good exercise to keep you thinking straight". Other interviewees indicated that the value depended on the project's level of effort. The same procedures are applied no matter what size the project interviewees reported, and indicated that it did not appear worthwhile to "make a big deal over \$50,000 projects, e.g. logical frameworks, project

papers, evaluation, etc., TAB interviewees further indicated that while the system was used throughout the bureau:

"... people don't think about the conceptual issues since there is no requirement to look at or explain alternatives and why they weren't chosen."

(2) Evaluation Process for General Technical Services Projects

(a) Evaluation in the Sample Projects

Interviewees involved in the sample projects had not been involved in their evaluation to date. One of the projects is very new and has evaluation plans built in, while the other had recently been acquired by a new project officer. In both cases the interviews indicate that TAB evaluation procedures would be followed for their projects. The specific methodology for the new project was reported to include at least in part in the the project design.

(b) Degree to which the Sample Projects were Typical for the Class

The project evaluation process outlined in the Manual Order for the Evaluation of General Technical Support projects is a variant of the project evaluation process developed for the technical assistance project class. The guidelines in addition to specifying procedures specific evaluation options:

- (1) Informal evaluation: where no major changes are expected;
- (2) Formal Evaluation: where either no comprehensive evaluation has been held for two years, or there is a project specific reason for formal review;

- (3) Special Evaluation: where in-depth focus on a particular problem is needed;
- (4) Terminal: a final evaluation of project performance

The GTS evaluation guidelines further provide a checklist for the project officer and recommend the development of a project issues paper as a means of structuring the review process.

Bureau interviewees indicated that in many regards the methodology development and test projects of the GTS program were similar to technical assistance projects. They differed in that the objective was information on the effectiveness of an approach rather than its operation over a longer period by a host government. Of all the TAB projects, these GTS projects were reported to be the easiest to evaluate.

(c) Applicability of the Agency's Evaluation System to General Technical Services Projects

In the projects examined by the study, and in the study interviews in the TAB bureau no major problems were identified concerning the application of the GTS variant of the Agency's project evaluation system. The focus of the system variant is as in the main system the replanning of projects based on information concerning project progress. Unlike the technical assistance project evaluation system explicitly required a terminal evaluation as well.

(3) Current Support for General Technical -- Support Projects from Evaluation and Other Analytical Functions

In part the support for project development comes from identification in the literature on development of specific methodological problems

that affect a large number of development programs, and in part it also comes from TAB and Mission problem identification. On the other hand TAB's original Key Problem Area papers are reported by TAB officers to no longer be of real use. The majority of these analyses are reported to be several years old. In one area the AID/TAB studies were indicated to be useful: The SYNCRISIS papers.

Information on the state of the art in specific technical fields while not always available in the general literature is usually known to the specialists within a technical area. This background data is combined with information provided in host country, Mission and international documents on the specific areas where these problems are faced. In some cases the methodology problems must be solved in field situations, in other cases the problems are conceptual and not place dependant. This body of information is brought to bear on the development of specific projects, whether these projects are generated in AID or externally. Normally AID's technical reviewers have available or can access the same information as did the project designer at the time of project approval.

While feasibility studies are not normally carried out prior to project development, (in some cases the projects are feasibility studies), some of these projects do develop baseline data. Project evaluations are reported to provide performance data required by the project team and by the AID technical monitor.

c. Institutional Development Grants (211d)

211d Grants are made to U.S. institutions to enable them to develop the capability to undertake research and provide technical consultations related to an area of concern to host countries and for the development field in general. 211d grants serve to bring

U.S. institutions, primarily universities, into an active role as participants in the development assistance process by encouraging them to develop a capability to provide such assistance in technical field. The 211d grants are managed through the Agency's Technical Assistance Bureau. Funds for 211d grants come from the Agency's development assistance appropriation. Virtually all of the projects in this class have the same structure.

211d projects are developed when the Agency recognizes a need to expand the U.S. capability to provide technical assistance in a specific area. Like other TAB projects, 211d grants are expected to contribute to the resolution of one of the key problems identified by the bureau.

In reviewing this project class PCI selected one 211d project for assessment: a water resources management capability development at a U.S. university. In addition to the assessment of design and evaluation officers who are concerned with 211d project design and evaluation.

(1) The Design Process for Institutional Development Grants

(a) Design in the Sample Project

The water resources problem affecting developing nations was reported by the project informant to have been identified in 1969. Shortly thereafter the area was identified as one for which not much information existed, but where the development of technical skills in water resource management were needed. The sample institutional development grant was reported to be a response to that need. The grant was designed following AID procedures for 211d grants and was intended to develop a source of expertise in the area of water resource management. The project informant was not aware that a TAB 3 x 3

matrix had been developed for the project. PCI discussions of the project with the project informant indicate that there is some ambiguity concerning the purpose of institutional development grants. Whether the project purpose is the development of a capability, or instead the use of that capability in the developing countries was considered to be a difficult question. That is: is the development of a capability or the development of an institution within the scope of the project (and hence an output) or is it a hypothetical link, i.e. we can sponsor institutional development but not commit to produce it.

(b) Degree to which the Design of the Sample Project was Reported to be Typical for the Class

The need that precipitated the development of the sample 211d grant was reported to be typical of the circumstances surrounding the development of such grants. TAB interviewees indicated that the procedures for grant development have changed, and a TAB variant of the Agency project design system, is applied for 211d grants.

In the TAB Program Budget Presentation that includes the TAB 3 x 3 matrix for each bureau project, PCI found the overwhelming majority of 211d grants to have as their purpose the institutional capacity rather than the use of the capacity. Examination of this document suggested that in practice the TAB officers tend to employ this purpose in defining the 211d grants.

(c) Applicability of the Logical Framework Approach for the Design of Institutional Development Grants

TAB interviewees indicated that the logical framework approach could be used to clarify 211d grants. Use of the design and evaluation system was reported by one TAB officer to have "completely saved the program".

(2) The Evaluation Process for Institutional Development Grants

(a) Evaluation in the Sample Project

As in the case of the GTS project, the project officer had just taken over and did not know the history of the project evaluation. He did however indicate that the Manual Order covering evaluation of 211d projects would apply to his project. He further reported that the project was reviewed and that in fact the capability the project intended to create was already in use through a consortium that provided services.

(b) Degree to which the evaluation Process for the Sample Project was Typical for the Class

The Manual Order covering evaluation of the 211d grant program employs a variation of the Agency evaluation system. This manual order, like the manual order for the GTS projects recommends use of an issues paper to serve as a project review agenda. The PCI study team reviewed one such issues paper and found that the paper did highlight points for project decision makers in TAB.

Project evaluation process for the 211d projects requires annual management reviews, followed by a PAR are required for 211d projects in addition (and in some cases in lieu of annual management reviews) two other types of evaluative assessments are required for 211d projects: an 18 month project design review, and a fourth year comprehensive review. 211d projects extended beyond their original term are also subject to "sustaining reviews" which are designed to determine, on a year to year, the period of extension of a 211d grant.

(c) Applicability of the Agency Evaluation Process to the Project Class

TAB interviewees indicated that while in the past "people may have had bad experiences with the review -- where they were not useful," the basic evaluation review process was applicable to the 211d grants. TAB interviewees further indicated that the evaluation process had forced clarification of the 211d grant program, and provided the bureau with a better understanding and management perspective on this class of projects.

(3) Current Support for Institutional Development Grant Project Decision from Evaluation and Other Analytical Functions

211d grants were reported to be undertaken in good measure because there was a lack of knowledge and expertise in a field of development. Past data tends to be scarce by nature. On the other hand TAB interviewees indicated that they were beginning to use past data on 211d projects per se to force better grant designs.

Project evaluation of the 211d grants was reportedly serving to both highlight the problems of institutional capability measurement faced through other agency, and to provide direction to the 211d grant efforts.

d. Development Program Grants

Development Program Grants are a variant of institutional development grants. They differ from institutional development grants in that they are designed to enhance the management rather than the technical capacity of the recipient, and they are awarded only to private voluntary organizations. Development Program Grants (DPGs) are managed through the Private Voluntary Cooperation office of the PHA bureau. These grants, instituted in 1974, have not been tested and thus no experience in their design and evaluation has developed. In the PHA guidelines for DPG proposals the proposer is requested to identify the expected outcomes of the grant, and to provide an evaluation plan that identifies the indicators that will be used to measure progress.

While the DPG proposal guidelines do not specifically call for a logical framework on the DPG, interviews with PHA staff members indicate that logical frameworks are expected with the DPG proposals. PCI's review of the DPG design and evaluation process involved interviews in PHA/PVC and with the staff of one DPG grantee. The grantee selected for DPG review is an experienced U.S. private voluntary organization. The DPG for this grantee will provide a method of entering the arena of development assistance.

1. The Design of Development Program Grants

(a) Design in the Sample Project

The logical framework approach was being applied to the sample project reviewed by PCI. In this project a planning system

was the explicit objective of the DPG effort. Interviews indicated that while the system concepts were not presenting a problem for the PVO, the identification of purpose and the purpose level indicators for the DPG was problematic.

(b) Degree to which the Sample Project was typical for the Class

The PHA/PVC office and a number of PVOs with which PCI discussed the DPG grants indicated that there is a substantive lack of clarity concerning what the DPGs are intended to accomplish. "Management improvements" brought down to the level of specific institutions, some of which are new to the development field and some of which have participated in development efforts for a long time, was reportedly presenting a number of problems in the area of identification of expectations. The degree to which the PHA/PVC office discussed this internally during the period of the PCI study, and the discussions between PHA/PVC and specific PVOs suggested that through an interactive process the clarification of expectations could be achieved.

(c) Applicability of the Logical Framework Approach

The logical framework design approach appeared to be fully applicable to the DPG project. Further it appeared to be serving in some cases to focus the discussion of expectations that was going on within the bureau and between the PHA/PVC office and individual PVOs.

2. Evaluation of Development Program Grants

(a) Evaluation in the Sample Project

In the sample case the issues of design were so predominant, and to a good degree unresolved, that evaluation was not yet an issue that had been fully considered.

(b) Degree to which the Sample was typical for the project class

Development program grantees in general indicated that they were just begining to address the issue of evaluation. The requirements for evaluation of Development Program Grants are less specific than those outlined by PHA/PVC for its Operations Program Grants with the PVOs.

(c) Applicability of the Agency Evaluation Process

As discussed in the case of Operations Program Grants it is not clear that the Agency's evaluation procedures can or should be transferred to the PVOs. Rather than repeat the analysis already discussed elsewhere we refer the reader to the section on Operations Program Grants.

3. Current Support for Development Program Grant Decision from Evaluation and Other Analytical Functions.

There is very little data within AID to support PHA/PVC's attempt to design grants that will result specifically in "management improvements", however, the DPG grant concept in many ways parallels the idea of a 211d institutional grant. While PCI did not undertake to cross reference indicators from the 211d project to the task faced by PHA/PVC it is possible that this area provides a source of ideas on the measurement institutional improvement efforts.

e. Central Population Projects

PCI's review of the centrally managed projects of the Population Office indicated that to some degree the PHA/POP office portfolio is a miniature version of the total "central projects" cluster. PHA/POP centrally manages research projects, projects designed to strengthen institutional capacity, projects directed at the development of new family planning delivery approaches, etc. For the most part it must necessarily fall to PHA/POP to classify its own projects, and then to review the results and recommendations of the study with an eye to the extendability of, for example, findings on TAB research projects to PHA/POP research projects.

As in the case of Population projects in the field, the central PHA/POP projects are funded under Title X. In the course of the inventory of project assistance, PCI identified the tendency for PHA/POP to carry out some of every type of project known to the Agency, save housing investment guarantees. Thus in order to sample the PHA/POP central project portfolio in a manner that might be of unique value to this office, we had to determine which types of PHA/POP projects were not redundant with project types managed elsewhere in the Agency. This review indicated that in one area PHA/POP appears to have a special category of projects: Policy projects. Projects in this group in some ways resembled other Agency projects dealing with attitude change. The unique feature of the PHA/POP policy projects was the degree to which they addressed themselves to explicit policy changes on a global scale. PCI selected for review a project in this apparently uniquely PHA/POP area. In addition to the review of a PHA/POP policy project, the study team conducted interviews with members of the Population Office who were informed and/or concerned about the office's approach to project design and evaluation.

(1) The Project Design Process for Central Population Projects

(a) Design in the Sample Project

The project examined by PCI was a project with policy objectives. The AID/W project informant indicated that the project had been developed originally by a former director of the Population Office in charge of the Policy Division of PHA/POP. The project was developed in response to the general recognition of a specific type of problem that was recurrent in a number of developing nations. Recognition of the problem had crystallized in late 1969 in a series of international conferences. To some degree the project design was reported to have evolved as the project itself developed. The project was not designed using the Logical Framework approach. This approach was first applied to the project in 1973 as the first step in an effort to evaluate the project.

Examination of the project design with the AID/W project informant revealed a number of design difficulties that may pose problems for similar projects:

- Project purpose was stated in terms of attitudes and awareness -- the measurement problems are normally much greater for attitudinal than for behavioral and physical changes;
- The "distance" between the outputs and the project purpose, and between the purpose and the goal was substantial -- a number of important intermediate hypotheses were not made explicit;
- The global character of the project and the variance among country policies necessitated that if targets were to be set for the project they would have to be set on a country by country basis -- a level of progress that would signal real change in one country might tell you little about the real change achieved in a neighboring country.

As the project informant indicated, some of these issues could have been resolved, including identification of objectives in behavioral terms and greater concentration on the achievement of realistic intermediate, rather than long-term, objectives defined, had the AID design requirements been in place when the project was developed.

(b) Degree to Which the Project Design Process was Typical for the Project Class

As indicated in a prior section the PHA/POP projects that are administered centrally cover a variety of project "classes," e.g., research, commodity assistance, methodology development and statistical analyses, communications, manpower development, etc. A few projects dealing with policy exist in the Bureau. The project PCI examined was in this latter category. While the PHA/POP projects vary widely, the process followed for the majority of projects sponsored by the Bureau was reported to be approximately the same, e.g., the development of an appropriate Logical Framework and supporting documentation concerning the project situation. The procedure currently followed was not required at the time the sample project was developed, and thus a parallel discussion of the sample and the other PHA/POP central projects with respect to the design process is not particularly useful.

The process now followed by the PHA/POP Office is reported to have some of the initially informal characteristics that were reported for the sample project. Following initial discussions that normally involve the host country, PHA/POP, university researchers from the U.S. and from developing countries universities as appropriate, as well as discussions with the potential intermediaries, a project proposal is usually prepared by one of the interested parties and submitted to PHA/POP. The first documents required by the Agency, including initial Logical Frameworks, are prepared at this point. Interviewees indicated that virtually

all of the projects in Bureau are now in the Logical Framework format. However, following the development of the Logical Frameworks it was reported that the design logic was "not reflected in conversations or analyses of the projects. Leadership focuses on personalities ... and the Logical Framework is not referred to ..." Other interview data from the Bureau suggested that the use of the design system had allowed PHA/POP to "get a better handle on whether projects meet Bureau objectives;" i.e., reduction of fertility rates in developing countries.

(c) Applicability of the Logical Framework Approach

Bureau interviewees indicated that the Logical Framework was an appropriate approach to the design of population projects, "including program support projects". Interviewees indicated that while the approach was both appropriate and useful they had experienced problems with "measurement at the goal and purpose levels". As an example of the type of situation faced in the measurement area one interviewee indicated that in the family planning/health projects, the "layman" often was too willing to accept measures that technical personnel considered to be suspect, e.g. malnutrition diagnosis:

"Laymen will say this is a great measure, but technical people know that doctors may diagnose whatever is fashionable ... as malnutrition gets more talked about the number of malnutrition diagnoses increases."

Other interviewees in the PHA/POP offices confirmed the difficulty faced in defining indicators, particularly for institutional capability assessment.

(2) Evaluation Process of Central Population Projects

(a) Evaluation Process in the Sample Project

The sample project, which had been initiated in 1969, was evaluated in 1974. The project informant reported that the evaluation took a total of three months. The project had not been designed using the Logical Framework, and hence the first step required the development of a framework for the project. The Logical Framework developed in PHA/POP was then reviewed with the project contractor. Following agreement on the Logical Framework the project informant had undertaken to review some twenty reports generated by the project and the contractor's annual reports. Interviews were conducted concerning contractor effectiveness, and their accomplishments internally were reviewed. Finally an evaluation review was held and a project evaluation paper was written. Based on the evaluation the contract objectives were modified and the contract was extended for two years.

(b) Degree to Which the Evaluation Process for the Sample Project was Typical for the Project Class

The sample project evaluation was an in-depth review of a project that had been in operation for five years. The level of effort undertaken in the evaluation of the sample project was reported to exceed the normal effort associated with project evaluations. On the other hand, the process followed was considered to represent bureau practice.

Bureau interviews indicated that annual evaluations are to be undertaken for the majority of PHA/POP projects, and that in 1974 the Bureau completed 40 out of 60 project evaluations of AID/W administered projects.

The level of effort required in some of these project evaluations (the three month evaluation efforts) was felt to be excessive. Interviewees tended to recognize that the process they had recently undertaken had been made particularly difficult because projects had not been evaluated during their initial years.

(c) Applicability of the Agency Evaluation Process

As a process the PHA/POP officers found evaluation to be useful and to be a service to replanning efforts. The recent efforts in the Bureau to "catch up" on a past lack of evaluation of the centrally administered population projects has been an exhausting one for the staff. And there is generally a reluctance to accept the idea that such in-depth evaluations can/should be undertaken annually. Bureau officers reported that the evaluation process should be tailored to fit the decision requirements for the projects.

"Evaluation should be an integrated part of management thinking. Evaluation tends to be thought of as one separate thing ... it is many different things ranging from

+ + + + + + + + + + + + + + + +	
"Informal judgments and quick assessments of past experience"	"A full blown evaluation costing \$70,000 for PCI assistance."*

We need to know what kind of evaluation is appropriate for what kind of situation and decisions. Evaluation must be useful, and be seen to be useful by those who have to do them."

* Editor's note: We take the liberty of pointing out that this comment was made with a smile to a PCI interviewer.

Interviewers reported that in some cases an in-depth review annually is simply not needed and will not serve to illuminate project performance. Evaluation was reported to have "drawn attention to project defects" as well as having brought the "beginnings of improved management (to the Bureau). There is a little less reliance on intuition and subjective judgment, though not as much as there should be."

Motivation was reported to be an evaluation problem by PHA/POP interviewees in some instances. For others the required frequency of evaluation was reported to be a problem: "We shall be looking at our project's navel all the time!"

Training in the AID project design system was considered by PHA/POP to be a prerequisite to appropriate use of the system:

"People look at evaluation as a means to create more work, that's why initial training is so important ... when it seems complex people take the attitude that it's too complicated therefore they won't even try ..."

Attribution was reportedly an evaluation problem as was the tendency in population projects to deal with string individuals and to build projects around them. The inevitable changes in personalities were reported to affect projects in ways that made projects that lack an institutional component difficult to assess. To a degree, evaluation in PHA/POP was reported to look across projects to determine trends; The World Fertility Trends paper produced by the Director of PHA/POP in 1974 was cited as an example of this type of evaluation of Bureau efforts.

PAR's, the Agency's approach for summarizing the results of evaluation reviews, were reported to be of little value in the PHA/POP office. First, the reviews are held in Washington, and tend to include the various parties who needed to be involved in and/or notified of decisions. Secondly, the PAR requirement was reported to compete with scarce time that the PHA/POP officers must devote to other activities. One interviewee indicated that

in six years with the Agency he had never filled out a PAR and further he didn't "know anyone who had filled one out." To some evaluation following the Agency's required approach was simply an imposition:

"Evaluation came from a bureaucratic institution office which was created especially for evaluation. Its success is measured by the number of pieces of paper with evaluation written on them. Success should be measured by success, i.e., the number of more limited, selective, appropriate evaluations that help the decision making apparatus to make its decisions."

(3) Current Support for Population Project Decisions from Evaluation and Other Analytical Functions

PHA/POP interviewees indicated that the Bureau has undertaken a "prioritization" exercise to establish a list of countries with important problems caused by birthrate. Within the PHA/POP priority list the Bureau attempts to assist the development of Mission projects. For the Bureau's centrally managed projects the Policy Office attempts to ensure that there is no duplication of centrally funded efforts.

Interviewees indicated that little past project experience is used in preparing new projects. However, "personal experience of Bureau personnel is considered." Interviewees indicated that a series of checks exist on the project development process such that major errors are avoided:

"During the review process everyone has a chance to criticize a proposal and comment on prior experience ... then the project has to be approved by everyone in the Agency and his uncle ..."

It was further reported that past project experience would be used "if it were easily accessible":

"Files are retired after three years. They are supposed to be available if needed -- good theory, but it doesn't work in practice. We've tried and failed to get back files."

Failure to use past project results in developing new projects was also reported to be a result of:

"a vested interest in doing things the same way that was made up of a resistance to change, an emphasis on personalities, independence within each of the Agency bureaus and offices, and the paper environment everyone is used to ..."

PHA/POP interviewees indicated that feasibility studies as such are not normally undertaken for population projects. Generally a field assessment is made by the Mission in conjunction with PHA/POP, the geographic bureau, and other offices with technical or policy interest in the project.

Impact evaluation on a project basis is not undertaken. However, Bureau interviewees suggested that "if the system were properly set up, this wouldn't be different from annual evaluations." The Bureau is concerned with impact level assessment and as a result works with various governments and agencies to determine the results of the total effect in the population area without trying to make any specific attribution to the AID effort. The global results are reported to be the central focus of bureau impact assessments.

3. Resource Projects

The cluster of projects PCI has called "resource projects" are generally forms of what the Agency has called "non-project" assistance. The resource project cluster divides into two groups, and there are common characteristics for each group:

a. Short term resource project

Projects in this group, when pressed to describe their "higher level objectives" tend to focus on stabilization objectives. The forms of stabilization included were found to be: political, economic, and emergency;

b. Long Term resource projects

Projects in this group tended to function as programs. The programmatic efforts of these "projects" were focused on meeting shortfalls in the host country's major systems: The shortfalls, or gaps, that these programs covered were knowledge and economic gaps.

The short term resource project category included cash grants, commodity assistance and foreign disaster assistance relief. In the long term resource project category PCI subsumed the majority of the PL480 efforts, and field support projects managed by the TAB bureau under the rubric of General Technical Assistance.

In the following paragraphs PCI's findings concerning specific classes of "resource projects" are discussed.

a. Short Term Resource Assistance

(1) Cash Grants

Cash grants are the economic emergency relief projects of the Agency. Cash grants are made through the regional bureaus, with the approval of

the Administrator. They are made only when the Agency is convinced that there is no other approach that can be taken to address the problem. Cash grants, PCI found, by their emergency nature differed from other forms of budget support activities: Block grants, program loans, and program type sector loans.

The rationale for a cash grant is documented in a PAAD (Program Assistance Approval Document). The logic of the grant request is normally expressed in a description of the situation that requires this special type of assistance. Evaluation in cash grants is not required,

PCI selected one cash grant in the East Asia Bureau for examination. Because of the nature of cash grants, and the nature of the situation faced by the East Asia Bureau, the PAAD was not available for our review. Examination was thus limited to our interviews with the desk officer responsible for monitoring the grant. We were fortunate in that this particular Agency officer had dealt with cash grants in several situations and proved to be a valuable informant for the study.

(a) The Design Process for Cash Grants

(i) Design in the Sample Grant

The cash grant examined by PCI was developed in response to a host government request. In preparing the grant the AID project officer did not review the Agency's past experience with cash grants. Interview data on the project design process revealed that the project officer:

- Found the Manual Order far too general to be of real use;
- Would have been assisted in his efforts had data on the Agency's past experience with cash grants been available during the grant development period;
- "Wouldn't dream of using the ARC"...the Agency's repository for past project information, to find the data he indicated would have been of use.

The cash grant examined by the study was developed to assist the recipient in meeting a financial crisis. While recognizing that the grant was a "stop-gap" measure, Agency officers indicated that the grant design included provisions requiring that the recipient institute a set of economic management reforms. The cash grant that was developed did not restrict the recipient to applying the grant resources in a specified manner. The grant objectives was described to be a contribution to a broad program aimed at the prevention of government collapse for economic reasons. The design of the cash grant was indicated to be not so much a "design" as a description of the situation that had required grant assistance, and an identification of the intended uses of the grant in terms of macro-economic objectives.

(ii) Degree to Which the Sample Design was Typical for the Class

Study interviews indicated that the sample cash grant, though developed in an atypical situation, was in fact typical for the class. The stabilization objectives of cash grants usually have a slightly less general objective than "prevent collapse." That is, cash grants are employed in situations where there is an economic crisis, but where the threat of "collapse" is not as real as was the case in the sample project. As in the sample cash grant, most assistance of this type is reported to be coupled with other forms of AID support, e.g., economic management assistance, reform requirements, commodity assistance, etc.

(iii) Applicability of the Logical Framework Approach to Cash Grant Design

Examination of the applicability of the Logical Framework Approach with the project officer revealed that:

- The logic of the cash grant is based on a series of if-then hypotheses, and a series of assumptions concerning those hypotheses;
- The identification of the hypotheses implicit in the cash grant facilitated definition of the grant objectives;
- Potentially measurable indicators of the success of these objectives could be defined;
- Cash is only one of the inputs required to achieve the objectives of the "project" a cash grant supports.

PCI's examination, with the AID/W project officer, of the applicability of the logical framework approach for cash grants provided the study team with a basis for reviewing cash grants in a "project perspective."

Experimentation by the project officer with the logical framework concepts resulted in the definition of the purpose of the grant as:

living standards maintained

The "if-then" was as follows: If cash is provided, then commodities required by the productive sectors can be imported; if these commodities are provided, then the productive sectors will be productive; if these sectors are productive, then the living standard will be maintained. In developing the logical framework that reflected this project logic, the project officer indicated that in fact the Agency was providing more than cash to achieve this objective. In addition to the cash grant, other Agency efforts were providing:

- Commodities: To meet the "if" condition of the project logic concerning the availability of the commodities required by the productive sector;
- Economic assistance/advice: To increase the human and regulatory capacity to avoid a repetition of the situation that had led to the need for a cash grant.

Upon completion of the examination of the sample project with the AID/W project officer, the PCI team concluded that while the logic of the grant had been clarified, the effort was still not a "project." That is, the statement of the grant did not identify a finite result. An objective of living standards maintained does not suggest, even in the abstract, a point in time when the project could be considered complete and successful.

Further review of the logic of the cash grant by the PCI team, and an effort to conceptually integrate the provision of economic advice with the project logic as it had been described suggested that in fact the cash grant did have a purpose in the "project" sense.

The cash grant is a stop-gap measure: It is used in combination with other resources and activities to support an economy. Close review of the interview data and project notes indicated that the intent was not to support the economy on a permanent basis. Rather, implicit in the conceptualization of the cash grant was the idea that a natural economic balance in the recipient nation had been disturbed -- and that the purpose of the Agency effort was to provide the required support until the balance was restored. This suggested an alternative purpose:

Living standards maintained without external assistance

With this modification, the objective of the cash grant and other resource efforts undertaken by the Agency began to resemble a conventional "project" approach to solving a development problem. In this light, the provision of economic advice becomes an integral part of the effort. The major change in the logical framework required when "without external assistance" was made part of the statement of purpose, was a change in the indicators of success. Whereas a purpose of living standards maintained suggests success indicators that measure income levels, a purpose of living standards maintained without external assistance suggests that the critical indicators of success would be the changes in productivity, etc., that were allowing the recipient nation to reestablish an economic balance.

(b) The Evaluation Process for Cash Grants

(i) Evaluation of the Sample Project

No formal evaluation was reported to be required for cash grants. On the other hand, cables are employed to monitor the effects of the grant and progress in related efforts, e.g., economic reform. While evaluation is not required, an annual review of the grant was reported to be required for all grants that were to be continued.

Interview data concerning grant reapproval reviews indicated that the questions raised tend to relate to the "amount and timing, but not why (the grant should be renewed)." In the sample project examined by PCI the grant disbursement decision was to be based upon evidence that the government had undertaken a series of economic reforms. At the time the grant was to be disbursed, Agency review indicated that in fact some of these conditions had been fulfilled. Following disbursement of the grant monies, AID information indicated that the reform efforts dissipated within a short time after receipt of the grant. Having disbursed the grant, Agency officers had no means of enforcing the reform requirement. This data was however considered to be important in the event that a grant renewal was sought.

In facing the evaluative question of whether the Agency's grant had succeeded in achieving its objective, the Project Officer, in good part as a function of the way in which the project logic had been defined, was in the uncomfortable position of having to posit, using post hoc reasoning, that: If the economy did not collapse, then the grant must have been successful, even if the economic reforms were not undertaken.

(ii) Degree to Which the Evaluative Process for the Sample Project is Typical for the Project Class

Discussions with the Project Officer indicated that the evaluation of cash grants was not normally required. An assessment is normally made when projects are considered for a second or further cash grant. Evaluation for the purpose of grant reapproval was not reported to be a process that reviewed causal relationships and determined project progress, in the sample grant or in other cash grants made by the Agency.

(iii) Applicability of the Agency's Project Evaluation System

The approach currently used by the Agency to the design of cash grants would preclude evaluation using the Agency system. First, the objectives of cash grants are not clearly defined, although it appears that they can be so defined. Secondly, the cash grant is normally given for a single occasion. When the grant is given there is no commitment that a second grant will be given if the situation fails to improve. The Agency project evaluation focuses on corrective action that can be taken during a project's life to improve the probability that project objectives will be achieved. AID officers indicate that whenever project funds are fully disbursed, as is the case at the beginning of a cash grant period, Agency ability to influence the project direction is severely diminished.

On the other hand, PCI's examination of the cash grant as a category of AID assistance indicated that when cash is combined with other Agency activities it may well be possible to define and manage the entire cluster of resource efforts as a "project." Where a cluster of Agency resources are directed toward such an objective, the Agency design process can be applied to assist AID officers in defining the "project" relationships. And, as long as some portion of the project involves the disbursement of AID funds over the bulk of the "project" period, it appears probable the evaluation system could be productively applied. Further examination of

"non-project" assistance to determine the degree to which "projects" can be defined and managed appears to be warranted.

(2) Commodity Assistance Projects

Commodity assistance loans are designed to provide resources for the support of a sector that might not otherwise realize its productive potential. Interviewees indicated that such loans are expected to be short-term efforts; they are used when the Agency can do "nothing else" to assist in resolving an immediate problem. To gain an understanding of commodity assistance efforts and the manner in which project design and evaluation concepts could serve these efforts, PCI selected a recent fertilizer loan in the Near East/South Asia bureau for examination.

(a) The Design Process for Commodity Assistance Projects

i. Design in the Sample Commodity Assistance Project

The sample commodity assistance project was designed to provide fertilizer. The project was developed in response to a host government request. The AID/W project informant indicated that the objectives of the assistance were in part political. As in the case of the cash grant, a PAAD had been prepared to define the terms of the assistance. The project informant had not been involved at the inception of the project, but indicated that past information on the availability of fertilizer and its application was available from the Mission.

ii. Degree to which the Design was Typical for the Project Class

Although the AID/W project informant indicated that there were political objectives associated with the assistance it was a typical project for the class. Fertilizer assistance was reported in interviews to be the equivalent in the agricultural sector to cash in the financial sector.

That is, a commodity assistance project is designed to meet a deficit in a raw material or in some intermediate good required to maintain or increase the level of domestic production of the recipient government.

iii. Applicability of the Logical Framework Approach for the Design of Commodity Assistance Efforts

Examination of the project with the AID/W project manager indicated that the purpose of the project was considered to be utilization of the fertilizer by the recipient during the calendar year. Increased food production was implicit as the goal.

In a comparative examination of commodity assistance, a number of similarities were identified in the cash grant efforts. PCI's review of the data on the commodity assistance effort indicated that in most regards it could be treated in the same manner as had been defined for the cash grant. That is, by focusing on self-sufficiency, the commodity assistance effort in combination with other AID and host country activities took on the character of a "project" in the sense in which AID defines that term.

PCI's findings concerning the commodity assistance effort taken together with the results of an examination of a cash grant suggest that the Agency may want to further investigate the possibility that such "resource" efforts could be grouped with other AID activities to define "projects" that are amenable to design and evaluation using the Agency's basic systems.

(b) Evaluation in Commodity Assistance Projects

i. Evaluation in the Sample Commodity Assistance Effort

AID interviewees indicated that formal evaluation procedures do not exist for this class of activities. The Agency's audit function was reported to review this type of effort "once in five years." The project informant indicated that the assistance effort is monitored by the Mission in two ways: Review of commodity sales reports, and review of the price of the commodity to final purchasers. Changes in the level of productivity were also monitored by the Mission, and considered when subsequent requests for assistance were submitted.

ii. Degree to Which the Evaluation Process was Typical for the Class

Discussions with AID personnel indicated that the evaluation concept was not formally applied to this class of efforts, but that a Mission review of commodity use and subsequent domestic productivity was normally undertaken when continued assistance was considered.

iii. Applicability of the Agency Evaluation System to this Class of Activities

No evaluation per se was planned for the project. However, as indicated above, the Mission was reported to check on the status of a number of indicators of past commodity assistance use prior to granting new levels of commodity assistance.

(c) Current Support for Commodity Assistance Decisions for Evaluation and other Analytical Functions

Commodity assistance programs are supported by the Mission DAP analysis of the sector into which the commodity is to be supplied. The data on fertilizer in the sample project as well as the data on agricultural productivity was reported to be good. PCI was not able to determine the degree to which the Agency has used its experience with this form of assistance for use in project planning. Evaluation is not formally undertaken for commodity assistance efforts; however an assessment is reported to be made when additional commodity assistance requests are submitted by the host country.

(c). Foreign Disaster Relief Assistance

The Foreign Disaster Relief Assistance office in the PHA bureau undertakes three types of activities:

- Emergency response
- Disaster preparedness training
- Disaster Stockpiling

Within this office PCI examined sample emergency response and discussed the other two types of activities with PHA/FDRA officers. Examination of the emergency response to a recent typhoon indicated that this type of effort is not a "project" effort, nor does it appear useful to attempt to treat emergency responses with the conventional project tools. PHA/FDRA does not control the planning of an emergency effort and it is not reasonable to expect that they will do so in the future. On the other hand, the two other efforts undertaken by the office have characteristics that more closely resemble conventional projects. From discussions with AID officers the purpose level for these efforts addresses the issue of increasing the efficiency and effectiveness of emergency relief efforts when they are required. In the case of the stockpiling effort, a "feasibility" study was undertaken that demonstrated the cost-effectiveness of stockpiling. PHA/FDRA officers did not see these remotely placed resources or the training efforts as directly evaluatable. Rather the impact of these efforts was to be seen in assessments of emergency response efforts and the degree to which they were more efficient and more effective as a function of the training and stockpiling efforts.

The PHA/FDRA office approaches the evaluation of emergency response efforts through "post-mortems" that are designed to assess not only what commodities when where, but also the effectiveness of the total disaster response approach. The post-mortems which are written up by the PHA/FDRA are intended to be guidelines for the future.

However, the PHA/FDRA has no direct method for ensuring that these evaluations are considered in preparing the next disaster response plan for an area or type of situation. The PHA/FDRA supports emergency response efforts but the planning of the response effort is not in their hands.

Study findings indicated that there is a good deal of effort within the PHA/FDRA office to assess disaster efforts, including computerization of records concerning the flow of resources during a disaster. While it was beyond the scope of this study to determine what assistance might be needed in this office, having established that the conventional project definition did not apply, AID might consider further efforts to determine what assistance this office needs in undertaking the efforts it appears to be motivated to take in the area of disaster evaluation.

b. Long-Term Resource Projects

The two project types identified in this category had little in common except for their charter to make resources available as needed to host countries. In one a single resource, technical consultants, were made available to a variety of field project efforts on a short-term basis through a long-term agreement with the Agency. In the second a variety of resources of an agricultural nature were made available to single countries on a relatively long-term basis. These two project types are discussed below.

(1) TAB Field Support Projects

In its review of the project assistance classes in the Agency, PCI attempted to include samples from each project class. While the study sample does include a General Technical Services project from the TAB bureau, the project selected was not a field support project. From PCI's experience in 1971 with the TAB training effort in Logical Framework methodology, PCI staff members recalled that at that time TAB officers found some difficulty in applying the project design concepts, particularly the End-of-Project Status concept, to GTS field support efforts. Thus despite the fact that this study contains no sample GTS field support project, PCI contacted the GTS office during the study's survey to determine the status of their efforts to utilize AID's project evaluation system for field support projects.

The GTS field support projects are designed to provide short-term technical specialists as participants in overseas projects. Normally there is a basic arrangement between AID and a private institution with a capability in a specific technical area. Under the terms of this

arrangement AID can request the assistance of technical experts on a task order type of basis. In 1971 the efforts to define GTS field support projects in the Agency's project design format tended to identify project purposes of the following type:

AID field projects and projects of host governments apply the state of the art in technical field X.

While purpose definition was not particularly difficult, the specification of a point in time and a set of conditions that would signal project success caused problems. First, the AID project portfolio had a reasonably rapid turnover rate if one considered the total number of projects in technical field X, and secondly, the state of the art in the technical field of interest was constantly changing. Set against a project funding cycle of approximately three years the definition of the end of a GTS field support project presented a dilemma for the TAB officers.

Study interviews in the TAB bureau still labored under the same difficulties it had identified in 1971. However, efforts to deal with the problem had led them to clarify the two types of evaluation they considered to be relevant for GTS field support projects.

- Market or demand assessments that provided information needed for assistance in technical area X versus the degree to which host countries were developing local technical competence in the technical area and/or were securing such assistance without AID support.
- Effectiveness assessments of the performance of individuals provided to Mission projects through GTS technical support projects; i.e., degree to which the technical expert had assisted the Mission project in producing the outputs identified in the Mission project Logical Framework.

The definition of these two evaluation requirements for GTS projects and the PBAR/PPT assessment of GTS field support projects suggested that in at least one dimension the GTS field support activities more closely resembled the resource group of projects than it did the central project cluster. The PBAR/PPT assessment of GTS field support projects had reported that:

"Level-of-Effort contracts and agreements are generally made with an institution or agency to provide a level of short-term expertise to other AID projects. So they are not projects unto themselves; rather they are a device for providing inputs into other projects more efficiently and expeditiously. These inputs are then covered by PPT in the projects into which they go. It will be useful to study ways of managing these contracts and agreements more efficiently as Non-Project Activities, in their planning, authorization and general monitoring.

The PBAR/PPT analysis thus agreed with the assessment of GTS informants in the TAB bureau concerning the degree to which evaluation of specific GTS assignments is properly made through performance assessment in terms of the projects assisted. Following this logic the current PAR system, as well as the PPT would be required to report on GTS "input to output" performance, and to provide the monitors of the GTS agreement with evaluative information required to support TAB decisions concerning the renewal of GTS agreements on the basis of performance.

This solution for assessing the effectiveness of GTS level of effort activities provides a plausible alternative to the current approach, particularly if the GTS "input" can be identified and assessed in terms of specific outputs". If specific input-output relationships cannot be established the idea, from an evaluation standpoint, has little potential value. In a time when the Agency is looking to increase rather than decrease performance assessment it is probably not acceptable to simply treat GTS experts as inputs, nor would this meet the TAB/GTS monitors need for performance data to support the decision making process.

The solution however is only a partial one. The GTS monitor must still assess demand, and, as in the case of the other projects in the resource cluster, consider the degree to which the effort promotes dependency rather than encourages the development of a local talent and/or the generation of the resources required to purchase the services of technical experts.

The global nature of the GTS field support agreements further suggest that the demand assessment element of evaluation for the GTS projects faces a baseline data problem similar to that observed in the centrally administered population policy project: what constitutes a change in policy in each country must be assessed by use of country specific baseline information. So to a GTS demand or market assessment would need to consider each country separately from two perspectives: demand measures, and measures of the inverse of dependency, e.g., procurement of technical expertise with local funds, and/or the increase in the rate and distribution of the supply of trained local manpower. That is, GTS demand assessments would have to allow the TAB monitor to define for each country where requests should be denied, e.g., the nation has demonstrated that it has the resources required.

The demand assessment approach to the GTS project class, as well as the evaluation of GTS resources through their performance in other AID projects, appears to warrant investigation. These measures potentially provide more direct approaches to providing the GTS monitor with the data he requires to determine:

- When to change contractors;
- When to stop providing services to a specific country program.

(b). PL480 - Title II (Food for Peace)

The Food for Peace efforts are commodity assistance in the form of food to countries where malnutrition and agricultural production and distribution are twin problems. These efforts are carried out in three ways:

- Through direct bi-lateral programs;
- Through intermediary programs, run by voluntary agencies;
- Through international efforts, i.e., the World Food Program.

During the course of the present study, PCI examined the two programs that involve direct AID participation -- bi-lateral and PVO programs. That is, AID assists in structuring the activities into which the PL480 Title II resources flow.

(1) Design in the PL480 Title II Projects(a) Design in the Sample Projects

PCI reviewed one bi-lateral and one PVO Food for Peace project. In one case a school feeding program and in the other a maternal and child health program. In both projects the focus of the effort was on malnutrition. The programs both focused on the number of program beneficiaries and the changes in health measures within the target population. In both cases it was expected that the host government would someday take over the feeding effort.

(b) Degree to Which the Sample Projects were Typical for the Class

Assessments made in the early 1970s had faulted PL480 projects for being shortsighted:

"It is only reasonable to conclude that the transfer of resources under the Title II program generally helps to mitigate, in the short run, problems which can best be dealt with in the longer run by improvements in agricultural productivity, improved nutritional understanding, and continued efforts in family planning."*

During the same period, in a study undertaken by Chechii Associates, policy recommendations were made to the Food for Peace program that included:

- "1. Give increased emphasis to Title II as part of AID's development assistance;
2. Emphasize nutrition in Title II programming;
3. Revise the order of priorities of Title II to emphasize Maternal/Child Health and de-emphasize school feeding;
4. Progressively shift planning responsibility to host governments;
5. Make multi-year country plans the basis for food allocations among recipient countries;
6. Allow more programming flexibility at the country level;
7. Bring Voluntary Agencies more closely into the country planning process."

In good measure the Title II office has appeared to respond in their program efforts to the recommendations made at that time. Thus interviewees in the Food for Peace offices indicated that the design of the projects PCI had reviewed were in fact typical in their emphasis of a nutritional element in a overall health strategy.

* Robert R. Nathan Associates, Inc., PL480 Title II Activities in El Salvador: A Program Evaluation, July 1971

(c) Applicability of the Logical Framework Methodology

In its report, Chechii had recommended that the Food for Peace office utilize the logical framework methods to characterize some of its projects, and had provided general samples of application of the methods. Examination of the Title II projects in the sample indicated that Food for Peace informants tended to follow the general outline of the Chechii samples in describing their programs in terms of the methods. PCI's examination of these projects however indicated that there was a problem with the specification of end-of-project-status for the sample projects. The government take-over of these programs was viewed to be far in the future, if it was expected to occur at all. In considering the Title II activities along with other project classes that provide resources, the question again came up of whether there was any reason to believe that the general class of projects was fostering efforts to generate locally the resources provided by the program. That is, there was a real question as to whether the programs could ever end. PCI reviewed this problem further, and it is discussed in Chapter Seven: Planning Design Standards and Methods.

(2) Evaluation of Title II Activities

(a) Evaluation in the Sample Projects

In both sample projects AID/W and in one case a PVO informant indicated that the degree to which the health indicators in the target population were changing, or being maintained, was assessed on a random basis. No evaluation was reportedly being undertaken in these projects at the purpose level: Government takeover of the program.

(b) Degree to Which the Sample Projects were Typical for the Class

Discussions with Food for Peace officers indicated that in this area the sample projects were similar to a large number of Title II efforts. In general, Food for Peace officers indicated that the problem of defining a time frame in which the programs could stop existed in a large number of Title II activities.

(c) Applicability of the Agency's Evaluation System

The difficulty in establishing a time frame for ending the PL480 efforts tends to being evaluation using the Agency system or any other design based approach back to the assessment of the progress at the output level. In this area the Food for Peace officers indicate that what would be more desirable than an "evaluation system" is a management information system that would report on both program outputs and inputs on an exception basis. This was discussed in particular for voluntary agency projects where the Food for Peace officers want to know when something starts to go wrong, but do not necessarily need information on all aspects of every activity.

CHAPTER FOUR

IMPEDIMENTS AND EVALUATION OPPORTUNITIES

Impediments and opportunities are often the two sides of a single coin. In this chapter the impediments to evaluation found in an examination of specific project classes are summarized. Evaluation opportunities are identified in the second section of the chapter.

A. IMPEDIMENTS TO EVALUATION

In this chapter the impediments to evaluation are described. In some cases the Agency is already addressing the impediments to evaluation. In discussing specific impediments, PCI identified Agency efforts to remove evaluation impediments that have come to our attention.

Study findings indicate that there are two basic types of impediments that can affect the quality of an evaluation event. (Evaluation event is used here to identify points in time when evaluation is utilized, planned or carried out to support the decision making process described in Chapter Two, e.g., project approval is an evaluation event when evaluative information is brought to bear on the approval decision, etc.) In figure IV-1 the types of motivational and informational impediments that can affect evaluation events are presented.

Analysis of the decision making process, data requirements and the practice of evaluation in specific project classes suggests that decisions tend to be affected more by information impediments than motivation impediments, while evaluation practice in project classes

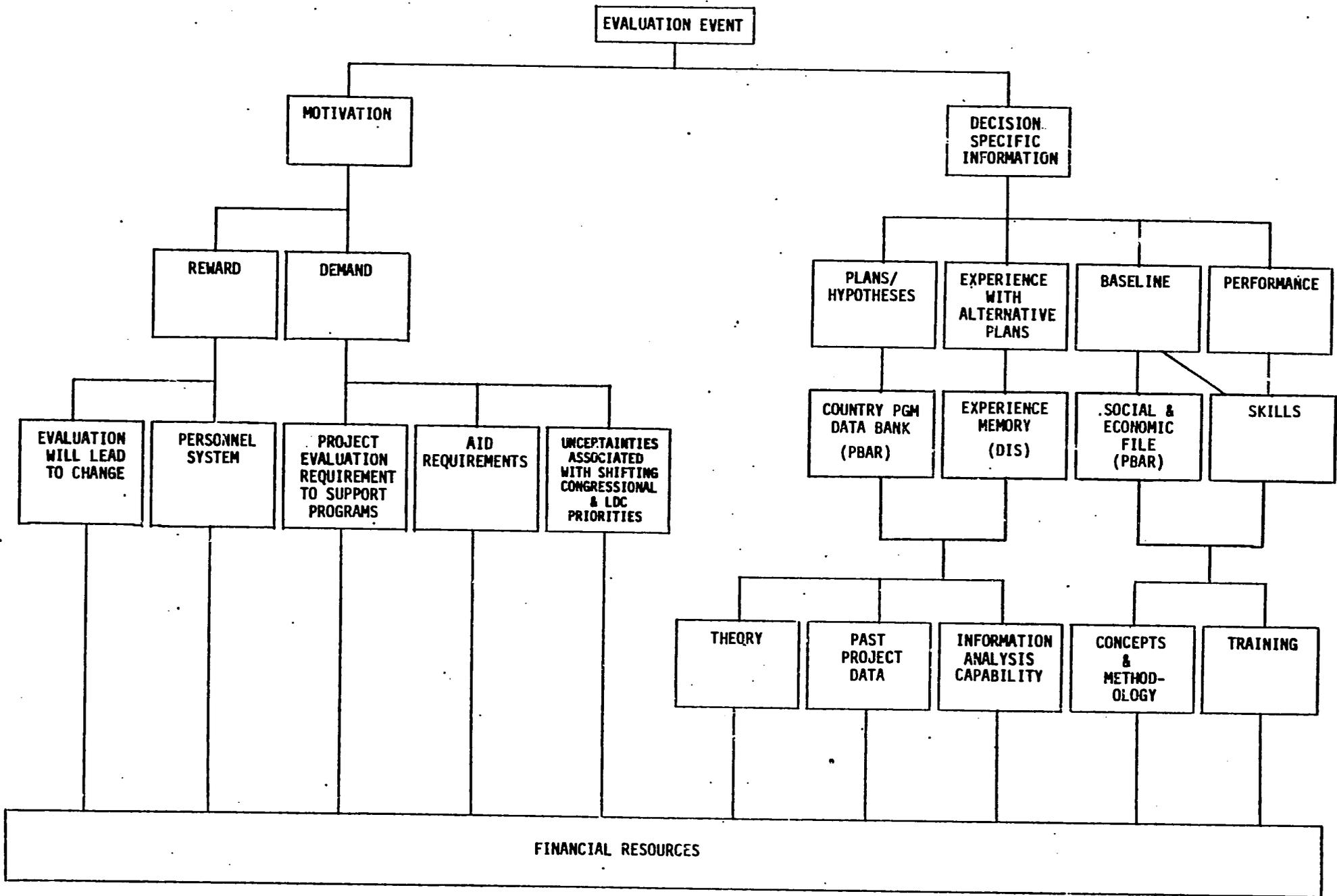


Figure IV-1: MOTIVATIONAL & INFORMATIONAL IMPEDIMENT TYPES

tends to relate more to motivational impediments than to specific information impediments.

In the following paragraphs the nature of specific impediments and the actions now being undertaken by the Agency are reviewed.

1. Information Impediments

The information constraints that directly affect the quality of project level evaluation and the utilization of past project experience in new project design include:

- Baseline and contextual data concerning the problems and situations with which projects are concerned;
- Raw data on past project performance and data processing that results in information on the relative effectiveness and efficiency of alternative project approaches, for achieving distributional effects and solving development problems;
- Lack of performance data for Agency projects in most classes

On going Agency efforts to reduce the information constraints on project design and evaluation were found to include:

- Project evaluation requirements in a number of project classes;
- Provision of resources required to develop baseline for project development;
- Occasional provision of resources required to develop baseline for project development;

- Efforts of the PBAR Task Force to create a Social and Economic Data Bank;
- Efforts of the SOG Task Force on Library and Information Retrieval to design a Development Information Service capable of processing requests for information on past project experience, and the technical experience of the Agency and other technical data services.

Behind the development of baseline and project performance information lie two subordinate impediments to evaluation practice and utilization of evaluation in the decision making process: skills and concepts/methodology.

a. Evaluation Skills

Technical skills were generally not found to be a constraint on the Agency's project design and evaluation functions. Where the Agency does require technical skills outside of the areas in which it normally operates, it tends to procure those skills externally. The skill constraints that do affect the quality of project design and evaluation were found to be somewhat similar and the distribution of these skills was found to be uneven in the Agency. The basic skill areas that are underrepresented in the Agency included:

- Understanding of and ability to apply the approaches and methods of the Agency's project design and evaluation system;
- Understanding of and ability to apply the concept and approaches that underlie the Agency's project design and evaluation system, including:
 - Fundamentals of the scientific method;
 - The uncertainty principle and approaches to handling compounded probabilities;

- Approaches to research design, data collection, and methods of statistical analysis;
- Approaches to creating a collaborative environment for planning as well as for evaluation and replanning;
- o Understanding of and ability to apply management techniques including such tools as PERT and other time management techniques, and cost and resource distribution techniques such as line of balance, etc.

Agency efforts to increase the skills of its own officers, as well as those of the host country and private organization personnel, were found to include:

- o The Agency's project design and evaluation training course;
- o Agency sponsorship of project design and evaluation training seminars for host country planners;
- o Agency sponsorship of project design and evaluation training for the staff members of private voluntary organizations, and for AID contractors and grantees.

In addition to Agency efforts to improve the distribution of design and evaluation skills noted above, AID has recently begun a new program in Development Studies. This three month course is intended to provide Agency personnel with skills in problem definition, research design, data collection and analysis and team management skills. Through the PBAR Task Force, the Agency is also attempting to develop a simplified PERT approach to network presentation of the time relationships in projects. This approach, called the Project Performance Tracking System, has been presented in some of the Missions and has been tested for a number of projects in the Africa Bureau. Both of these efforts are still in a developmental stage.

The time and other resource constraints on evaluation are reported to be of several types. Among these constraints, the study data indicated that: (1) The evaluation positions in the Agency are not fully staffed; (2) and the absolute time required to perform quality evaluations is reported to be scarce given the degree to which AID officers feel themselves to be overextended. Agency evaluation managers have sought to relieve some of the time and manpower constraints on evaluation through use of an indefinite quantity contract approach with a number of private firms. These IQC contracts provide AID officers access to supplementary evaluation resources on relatively short notice.

b. Conceptual Impediments

Conceptual impediments to evaluation were identified in three areas: The theoretical basis for projects, methodology for validating project hypotheses, and appropriate indicators, and measurement techniques for a limited number of "difficult to assess" project objectives.

Study interviews indicated that project planners and project evaluation teams perceived many of their analyses to be the product of "guess-work". This perception was particularly strong for individuals with two types of concerns.

Individuals concerned with defining and/or approving project approaches in terms of their potential for distributing the benefits of development to specific groups, e.g., the rural poor, women, etc., indicated that there is a lack of the type of empirical basis required to develop even a "first-generation" of plausible hypotheses. There is no solid theoretical basis from which these individuals felt such hypotheses could be deduced.

Attribution of development results to Agency products was the second conceptual problem identified by the study. AID officers indicate that data on causal relationships would constitute a major "payoff". However, interviewees in general were skeptical about the adequacy of existing approaches for establishing causality. Agency evaluation officers indicated that no systematic method for verifying causal linkages in projects have been developed. The attempt to attribute goal level results to project efforts is reported to be made in a small minority of project evaluations.

Indicators and measurement approaches are reported to be problematic in a number of areas, particularly in projects that address institution building issues. Projects that assist secondary lending institutions as well as projects that have a number of elements that are different in kind, were reported to pose problems for evaluators. Measurement of "benefit incidence" was a final area where Agency measurement approaches were reported to be inadequate.

In the report of the PBAR Task Force, a number of Agency sponsored studies were identified that address in particular the issues of measurement identified as conceptual problems. This list of studies covered almost every area reported to be problematic from a measurement standpoint. The present study and a parallel study concerning evaluation above the project level are additional efforts sponsored by the Agency for the purpose of reducing the number of conceptual impediments to evaluation.

2. Motivational Impediments

A number of impediments to project level evaluation were found to be motivational in nature. They were considered to be the most

difficult to affect. Within this category the study identified two basic types of motivational impediments: Demand impediments and reward impediments.

a. Demand Impediments

(1) Impediments Associated with Uncertainties

In this category we found motivational constraints that related to the nature of the Agency and the developing countries: The perception that Congress would set new objectives as soon as AID developed methods of planned and evaluating projects in terms of existing mandates;

(2) Lack of Demand

Lack of demand is a clear impediment to evaluation practice. The simplest lack of demand that affects project evaluation is the absence of a requirement. The second lack of demand is however the more meaningful. There is a lack of a parallel process and set of expectations at the program-level that demands the results of project level evaluation in order to undertake its own replanning and evaluation responsibilities.

b. Reward Impediments

(1) Impediments Associated with the Agency Personnel System

This category covers motivational constraints related to the lack of rewards associated with efforts to responsibly manage and evaluate projects; the fact that promotion within the Agency and/or assignment to a desirable position in a Mission was not perceived to be a function of the degree to which an AID officer followed "best practice" in planning and evaluating projects;

Within this category, PCI also identified lack of support for evaluation from top management as a motivational constraint.

2. Impediments Associated with Lack of Control

In this category motivational constraints related to the perceived inability of the AID officer to affect decisions as the result of evaluation efforts, e.g., "most agricultural projects require a credit component. Even if credit evaluations are dismal there are no alternatives...."

B Evaluation Opportunities

In developing an Agency project evaluation system and requiring its application, the Agency has succeeded not only in improving its on-going projects --- it has also improved the quality of project design in all classes of projects where the system has been applied.

Where project evaluation has forced improvement in the project design process, the momentum internal to that improved design process has begun to create its own demands for information to make sound project design and approval decisions. Improvements in the project design process are creating a demand for the experience data required by that process. The Agency has reinforced the demand for experience data to support project design in its new project approval process guidelines.

The demand for experience data created by an improved project design process is creating momentum in still another Agency system. The demand for experience data to support project design is now a factor in

Agency efforts to take its first serious look at developing a capability for analyzing, and distributing information on the relative effectiveness and efficiency of, alternative project approaches. Mission response to the Agency's tentative design for a Development Information Service that would undertake these functions has been strongly affirmative.

The Agency's project level evaluation system has created a moderate level of momentum for the development of baseline data. A Development Information Service that is required to make responsible comparisons among alternative project approaches should be expected to raise the demand for projects with clear baseline, as well as performance data to a new plateau. The attempts of Agency officers to responsibly design and evaluate projects is, in turn, creating a demand that the evaluation function break through the conceptual and methodological barriers that currently impede evaluation efforts.

While from one perspective the evaluation function, and its officers throughout the Agency, should be allowed to simply sit back and support the momentum that has already been created, from another perspective there is still work to be done.

There are four basic opportunities for evaluation improvement that the Evaluation Officer should consider central to the definition of defining of the next series of improvements in project evaluation:

- Evaluation at the Goal Level
- Guided extension of the project evaluation system to new classes of project assistance

- Extending the project perspective to non-project assistance
- Quality improvements through certification of people, products and processes associated with the evaluation system.

1. Opportunity One: Reaching the Goal Level

In installing the Agency evaluation system it was recognized project evaluation would fall short of its potential if clear goals for projects were not established. Just as responsible evaluation at the output level of a project depended upon a clear vision of the project purpose, the Agency's evaluation officers recognized that responsible target setting and evaluation at the project purpose level depended upon a clear vision of the project goal. It was an implicit hypothesis of the evaluation system installation effort that the project evaluation process would create the momentum required to clarify the project goals -- the Agency's program level objectives.

That Hypothesis has failed

Project evaluation, taken alone, was not able to put in place the full set of necessary and sufficient conditions to achieve this result. Project evaluation efforts, and project design have suffered from the lack of clear program hypotheses and measurable objectives at the project goal level. Until recently the evaluation function has had no major opportunities to address the problem of project goal clarification directly.

In the PBAR Task Force recommendations the central opportunity for the evaluation is presented. It is presented directly and it is presented as a challenge:

Make the DAPs and DASPs evaluatable

The Agency through its past efforts has already learned that the fastest way to a clear design is a requirement and set of procedures for evaluation. The results of PCI's examination of Agency projects at the sector level and cursory examination of sector assessments, sector evaluations, and DAPs indicates that the Agency has in its project evaluation and design system the elements required to take the first steps toward meeting the PBAR challenge to make DAPs and DASPs evaluable. By taking up this challenge, the Agency should expect that the same forces that led from project evaluation to project design will function to make the DAPs and DASPs undertake a redesign and objective setting effort.

By taking up the challenge to make DAPs and DASPs evaluable the evaluation function will solve a central problem of the project level evaluation design systems. The inability of Agency officers to fully and precisely define project purpose and end-of-project status as a function of ambiguity at the goal level as to "how much" purpose level achievement is required.

2. Opportunity Two: Extending the Practice of Project Level Evaluation

The opportunity before the evaluation function is not one of setting the stage for an extension of the project level evaluation system to classes of projects other than technical assistance. Rather, the opportunity and responsibility facing the evaluation function is that of getting ahead of an extension of the system that is already well underway.

The project level evaluation system is being extended by the Agency bureaus and offices. But it is being extended without adequate guidance from the evaluation function as to how the unique features of each project class can best be handled. In virtually ever "project assistance" class, PCI found that the Logical Framework approach to project design was being tried. In virtually every project class, including technical assistance, Agency officers were facing problems in applying the system concepts preparing for project evaluation.

PCI's examination of the spectrum of project classes in the Agency has indicated that there are no major conceptual problems in extending the evaluation review concept, and the design approach to all classes of projects. However, extension of the system without initial guidance from the evaluation function has already proved to be dysfunctional in some instances; e.g., while the project design framework was conceived from the perspective of a "bench level" physics research experiment, the design system is seen by the Agency officers who deal with research to oversimplify their projects. Addressing class specific issues before they have a dysfunctional impact is the major opportunity the evaluation function faces in the area of system extension.

Two clear tasks for the evaluation function stand out:

- Develop sample project designs that employ the system concepts in clarifying each class and type of project in the Agency
- Define and prepare examples of appropriate and inappropriate applications of the system terms, e.g., development hypotheses and end-of-project-status.

The characteristics of project classes that make them unique from the perspective of project design also tend to make them unique from the point of view of project evaluation procedures. The procedures defined for the evaluation system were procedures for Mission evaluations. As new classes of projects have begun to use the evaluation system, evaluation procedures have been redefined. These redefinitions made have involved changing the Mission procedures in order to accomodate to the characteristics of other project classes. The most extensive effort in this area has been undertaken by TAB. Evaluation process reporting requirements have also been modified by offices, as they attempt to gain value from application of the system. At this point in PCI's review and

At this point in PCI's review and assessment of the applicability and application of evaluation system procedures and reporting requirements we are not able to specify clear, straight-forward tasks for the evaluation function. Further detailed review of the modifications made to evaluation review and reporting requirements by specific offices, and their continuing validity in light of the proposed overall system concepts outlined in this report should be unertaken in Phase II, as should a review of explicit modifications made in the logical framework design approach, and design format, by Agency Bureaus and offices.

3. Opportunity Three: Extending the project perspective to non-project assistance

PCI's examination of the range of project assistance included several classes of activity defined by the Agency as "non-project assistance". These projects as a cluster tend to provide resources and to be input projects in their basic orientation. Some of these activities had undertaken to define the outputs that AID resources would produce, and in one class there had been an effort to define the

purpose and goal levels of AID resource activity. Each of the activities in the resource class, with the exception of the efforts of the Foreign Disaster Relief Assistance program, could, when combined with other Aid efforts, be characterized in "project" terms. Disaster relief efforts could similarly be described...but only after the "project" had started.

Investigation of the Agency's resource projects as a cluster indicated that each activity area, including Foreign Disaster Relief, had the potential for creating dependencies in the developing countries rather than fostering efforts to generate locally the resources provided by AID. The Foreign Disaster Relief Assistance class alone has a fail-safe mechanism which prevents the creation of such dependencies. That mechanism is a limitation on the total dollar volume of relief the Agency for any single effort mounted under the program.

PCI's examination of these activity classes indicated that only when the effort was made to characterize these resource activities as full projects, with inputs, outputs, purposes and goals, and to subject them to the design requirement for performance measurement at each level did the potential for the development of long-term dependencies become fully apparent.

A major opportunity before the evaluation function is a further examination of these activities with an eye to bringing many of them into the "project assistance" system.

4. Opportunity Four: Realization of Improvement in Projects

The test of the quality of the Agency's evaluation and design system

is in real projects, and yet the Agency is reluctant to "test" the processes it uses for these projects. PCI's examination of the practice of project evaluation and project design indicates that the evaluation function has an opportunity to bring real benefit to projects by accepting the responsibility to undertake certification of the project evaluation and design system in three dimensions:

- People;
- Products;
- Processes;

Study data have indicated that people who use the system do not always use the concepts well. Furthermore they are often aware that they are not fully "trained" --- even when they have taken the Agency's design and evaluation course. They are not tested before they are dismissed, and thus must face the test situation when dealing with real projects. By the time they face the project test, they are often geographically removed from the trainers who might be able to assist them.

PCI's examination and scoring of sample Agency design products as to usage of the system concepts, and reviews of design errors with project personnel, indicated that an interactive process concerned only with design concept application can lead to design improvements. These reviews require a low level of effort on the part of both the Agency project officer and the design analyst. Further these design reviews are an effective method of reinforcing the basic system training which many of the officers already had.

Study data further indicated that the PAR as a method of certifying evaluation process is perceived to be inadequate.

Interviewees further indicated that the certification of process must be address through the evaluation system, or it will not be addressed. Recommendations for the certification of evaluation process are taken up in the system design chapters.

In addition to undertaking these efforts to extend the system, the evaluation function has numerous opportunities to improve evaluation through support of the momentum it has already created. Opportunities in this area include, at minimum, efforts to break through methodological, motivational, and conceptual barriers that impede efforts to apply the system.

° Methodological Barriers, including:

- (a) Methodology that is both simple and appropriate for assessing the validity of project hypotheses, i.e., methods that can be used to test the causal links in the vertical logic of a project;
- (b) Methodology that is both simple and appropriate for measuring achievement against objectives that affect a large number of Agency projects, e.g., institutional capability;
- (c) Methodology for associating input level investments with the production of specific project outputs.*

* The evaluation system is not alone in needing a solution to this problem. The PBAR/PPT and eventually, the DIS require this type of output costing approach in projects. The appropriate methodology will be one that can be applied by the grant and contracting offices at the time when projects are approved.

° Motivational Barriers, including, at minimum:

Improving opportunities for project replanning, as well as responding to policy guidance concerning the development of more collaborative style, by moving to enforce Agency guidelines that recommend host country participation in the preparation of project logical frameworks as well as in project evaluation reviews. This further has the potential for extending the system skills and value to AID's host counterparts.

At present even seasoned practitioners use certain system concepts in different ways. The study results indicate that in at least two areas the evaluation function should address the question of concept usage, including:

(a) Development Hypotheses:

Is the Agency willing to embrace within this term hypotheses with a probability of unity, or does a probability of unity suggest that the realization of the "then" condition is within the 'manageable interest' of the AID project?

(b) Manageable Interest

The Agency is not comfortable with the term project manager as descriptive of the role of the AID officer who deals with a project that is in fact "managed" by an intermediary. Rather than use the term the Agency has dropped a central system concept from its guidelines. Should the words be changed and the concept saved?

(c) End-of-Project-Status

If a project ends when Agency involvement ends can end-of-project status be measured by the project team? Is end-of-project the achievement of the set of targets that represent the logical completion of the project, or is it to be the trajectory established at the point in time where AID transfers the responsibility to the host? i.e., management of the operational program created by the AID project.

C. SPECIAL CONCERNS

During the course of this study PCI was asked to look at and comment on the evaluation system and its relationship to such special concerns as benefit incidence and benefits to women. While we were not able to incorporate this concern fully into the data collection and analysis undertaken, the study finds did indicate that:

- ° The neutral system for design and evaluation currently used by the Agency can absorb such special concerns. Two approaches that appear feasible are:
 - (1) Simply fix the goal statement as "benefits to group X in field Y" and force projects to define themselves in these terms;
 - (2) Allow programmatic objective setting process to operate and fix the indicators of goal and/or purpose achievement in terms of "benefits to group X," or % of total benefit targeted at benefits to group X.
 - (3) Make provision in the input row for insertion of negative costs, where the costs are either (a) value of project activities in terms of secondary beneficial effects (impact on women) or, (b) the cost of input that is directly associated with that desired secondary effect (e.g., representation of women in contract or development in overseas development activities in contractor's overseas development activities).

In querying Agency interviewees concerning benefit incidence and benefits to women it further became clear that:

- (1) Lack of hypothesis/theory is the major problem AID personnel face in the area of special concerns;
- (2) Measurement is a secondary problem: It is one that is both minor and expensive:
 - Knowing what hypothesis you are testing makes data relevant;
 - Measurement of achievement by components of a target group is costly -- it requires special data collection both at a baseline point and at the time of evaluation;
 - Changing papers will not necessarily change projects -- particularly the way the host finally uses the project results, e.g., a Moslem culture agreed with AID to change the proportion of girl's schools and boy's schools from 1/10 to 5/5: Whether they will use the schools this way AID observes to be a question they will answer from the framework of their own culture.

PCI's findings in the area do not constitute a set of answers; our work in this area was too cursory to assume even that what we learned can be considered representative of Agency views -- these overview findings may however suggest to AID directions that warrant further examination.

CHAPTER FIVE
OVERALL SYSTEM DESIGN

Based on the findings and conclusions of its study of the project assistance system and the practice of evaluation in the Agency for International Development, Practical Concepts Incorporated has developed the outlines of a proposed project level evaluation for the Agency that is intended to facilitate Agency efforts to achieve three simultaneous objectives:

- Expansion of the practice of evaluation at the project level;
- Increase the flexibility of project evaluation as an Agency management tool;
- Increase the contribution of project level evaluation to the Agency's program, budget and implementation management processes.

The study took as a basic premise Agency interest in expanding on the current project level evaluation system, to the degree that this system had in fact brought benefit to the Agency's projects. Further the study assumed that in order to support the achievement of the above identified objectives the project level evaluation system would have to include both the information organizing and people organizing elements required to in fact support project level decision making.

The overall evaluation system proposed for the evaluation of Agency projects is an AID-operated system. The proposed system expands upon the current "Mission-useful" project evaluation system in one basic regard: the proposed system recognizes the validity of the need for

project evaluation findings beyond the project. Three valid needs for evaluation are recognized by the system:

- Project team replanning needs;
- Program team replanning needs that require support from project level evaluations;
- Project design team needs for information on the relative effectiveness and efficiency of alternative project approaches.

While increasing the number of Agency officers it serves, the proposed evaluation system for the project level continues to discourage evaluation that is unfocused and/or does not serve an important function in the overall management process.

The system design rests on two tenets confirmed by the PCI study:

- Project design and evaluation are conceptually integral -- they must in fact be integral if evaluation is to serve project replanning and the design of new projects;
- Projects and programs are conceptually integral -- and must in fact be integral if projects are expected to join with other efforts in achieving significant development objectives.

In the remainder of this section PCI presents in outline form the proposed project level evaluation system.

A. TYPES OF EVALUATION

The proposed evaluation system, which is designed for application to all Agency projects, is a two tier system. The two tiers are:

- ° The project effectiveness tier -- that responds to Agency needs for evaluative data to support project and program re-planning decisions;
- ° The project significance tier -- that responds to Agency needs for evaluation data to support project and program design decisions for future projects and classes of projects.

Both tiers rest upon the foundation of a common project design system: the logical framework approach. The project effectiveness tier is designed to be a mandatory tier for all projects. The project significance tier is designed to become operative when:

- (1) There is a project or program level need for evaluation information to support project or program replanning;
- (2) There is an Agency need for information concerning the effectiveness and/or efficiency of the project approach for achieving technical, development and/or distributional effects;
- (3) Required as specified under FREQUENCY.

1. General Functions of the Effectiveness Tier

The focus of the effectiveness tier is on "what" happened. The evaluation stress is on the assessment of performance against measures of achievement specified in the project's horizontal logic for each project level: inputs, outputs, purpose, and goal. The effectiveness

tier assessment function includes both the measurement of what AID achieved, and the validity of the assumptions on which that achievement was postulated to rest. Thus at a general level the effectiveness tier accepts responsibility for:

- (a) Assessment of resource consumption and adequacy and validity of input assumptions;
- (b) Assessment of output production and validity of output assumptions;
- (c) Assessment of purpose achievement of end-of-project measures and, as known, validity of purpose assumptions;
- (d) Assessment of goal level achievement through leading indicators at the goal level and, as known, validity of goal assumptions;
- (e) Provision of a limited set of implementation and project approach lessons;
- (f) Identification of the ratio of planned to actual performance at each project level in a congruence table;
- (g) Provision of a record of decisions resulting from evaluation.

2. General Functions of the Significance Tier

The focus of the significance tier is on "why" things happened. The evaluation stress is on the assessment of the validity of the project hypotheses. Specifically it is designed to test the causal linkages in the vertical logic based upon a validation of performance against horizontal achievement indicators. The significance tier assessment function takes as its starting point the written record, and where

possible the oral history, of effectiveness tier evaluation for the project. At a general level the significance tier accepts the responsibility for:

- (a) Summarizing the planned and actual performance achieved at each level of the project;
- (b) Revalidation of the validity of the input and output assumptions;
- (c) Assessment of the validity of purpose and goal assumptions;
- (d) Preparation of a hypotheses validity analysis table for each project level;(see METHODOLOGY)
- (e) Where not previously provided by a project design Means-End Analysis* identification of the intermediate hypothesis between project levels and assumptions concerning these intermediate hypotheses;
- (f) Identification of indicators of achievement for intermediate hypotheses;
- (g) Validation of the achievement of intermediate hypotheses;(see METHODOLOG
- (h) Provision of analysis and other recommendations as appropriate to the management unit that requested significance evaluation;
- (i) Provision of a credible record of evaluation process that includes analysis and recommendations concerning retest of the project hypothesis in future projects, as well as methodology notes concerning the evaluation that may be of assistance to other AID officers.

* Project Assistance Handbook, #3, A.I.D., Chapter II, Annex 1
(in draft).

B. PROPOSED METHODOLOGIES

In this section we outline a number of methodologies that are recommended for development by the Agency as procedures for use in fulfilling the functional requirements for:

- Establishing the proportion of planned over actual performance and the implications of performance for project hypotheses in the Effectiveness Tier;
- Undertaking a hypothesis validity analysis in the Significance Tier;
- Undertaking to schematically represent causal relationships established by Significance Tier evaluation.

1. Effectiveness Tier Methodologies

The Agency already has the majority of the methodology required for responsible performance of Effectiveness Tier evaluation. However, two types of developmental work are required:

- Development of indicators for problem areas;
- Development of a method for determining the proportion of planned versus actual performance projects and the bearing of performance on the validity of project hypotheses.

(a) Development of Indicators and Measurement Approaches

PCI did not undertake to identify all of the objectives for which the Agency has not succeeded in developing performance indicators and methods of securing evidence in support of those indicators. Within the Agency

there are a number of individuals who have attempted to define indicators for assessing project objectives. Thus to a degree the Agency already has a list of the areas in which it must invest in this type of development. The PCI study did identify two areas that are reported to be problematic: institutional viability/capability assessment and intermediate credit. While the Agency has undertaken some efforts to resolve these specific indicator problems the task in neither case is complete.

(b) Assessment of the Planned/Actual Performance for Project Levels

Assessment of this type requires that two types of methodology be undertaken:

(1) Methods for Assigning Inputs to Outputs

The PBAR/PPT examination of the financial aspects of the PPT system is presently reviewing the problems associated with sorting inputs and assigning them to specific outputs. The evaluation function should avail itself of their findings. Further PCI has seen this sorting responsibly performed by Agency officers when a system of matched numbering was used in the input and output portions of the Logical Framework. The diagram below outlines this matching system:

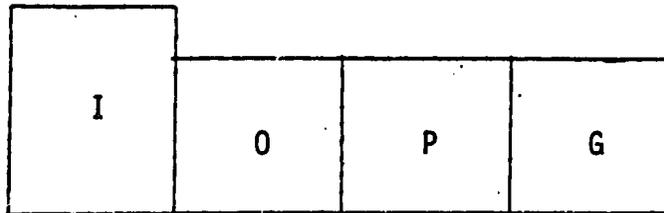
<u>OUTPUTS</u>			
1.Trained teachers; 2.Quality workbooks issued.			
<u>INPUTS</u>	LEVEL OF EFFORT		
	LABOR	OTHER TASK COSTS	
		TRAVEL	MATERIALS
	1.Training seminars. 2 manmonths (in \$ _____)	\$10,000.00	
2a.Curriculum developed; b.Workbooks prepared.	4 manmonths (in \$ _____)	\$3,000.00	

(2) Methods for Defining and Displaying the Performance Congruence

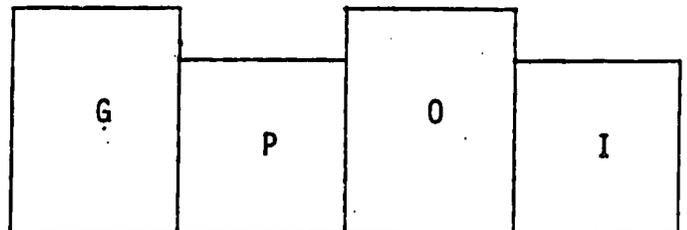
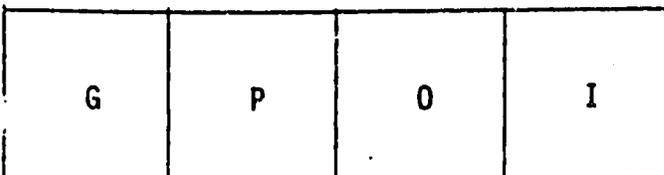
PCI has used the concepts it believes are required to develop analysis and display tools with Agency officers. The basis for determining proportionality appears to require only that the project can define and separately validate each of the "ifs" was provided, and what was achieved at the next level. For example:

- All of the manmonths were used as planned for curriculum development;
- The materials costs were as planned;
- Twenty out of 20 planned workbooks were produced, but they were terrible!

Conceptually we have a proportion here that is subjectively somewhere between zero and one-half, but no higher.



The evaluator faced with this information starts by sorting what went wrong with the management of the project. Other congruence diagrams suggest other problems with planned/actual performance forcing the reviewer to raise questions about his hypotheses:



The approach suggested one of the ways the Agency begins to consider how performance data can, without extensive analysis, serve the immediate needs in an Effectiveness Tier evaluation to get quickly to the heart of any project hypothesis problems.

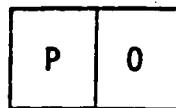
2. Significance Tier Methodologies

Any rigorous approach to testing cause and effect can be applied in Significance Tier evaluations. In the course of this study PCI has done some very preliminary work on methodologies that, while they require further development and test, could easily be transferred to evaluation officer for use in significance level evaluations. Two ideas offered for further Agency investigation in Phase II represent an attempt to begin to bring the necessary and sufficiency conditions postulated by the AID project together for assessment.

(a) "Truth Tables"

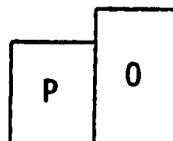
"Truth tables" are a potential way for organizing the information provided by Effectiveness Tier evaluations to make a first assessment of project hypotheses validity.

Between any two project levels achievement either was proportional (congruent) or not:



CONGRUENT

(\approx)



NON-CONGRUENT

(\neq)

At the lower of the two levels the Assumptions were either true (A_t) or false (A_f).

With this information the evaluator can create a "truth table" concerning the hypothesis that was presumed to connect the two project levels. The general form of the table is given below. The evaluator must place his data concerning the project in only one box.

	A_t	A_f
22	BOX 1	BOX 2
22	BOX 3	BOX 4

Interpretation and ideas for how to proceed come from identification of the right box given the project data. That is:

Box 1 suggests strongly that the project hypothesis was valid;

Box 2 suggests that the hypothesis validity did not depend on the validity of the assumptions the project team felt were important;

Box 3 suggests a false hypothesis;

Box 4 suggests that while the hypothesis may be valid you probably didn't test it in that situation.

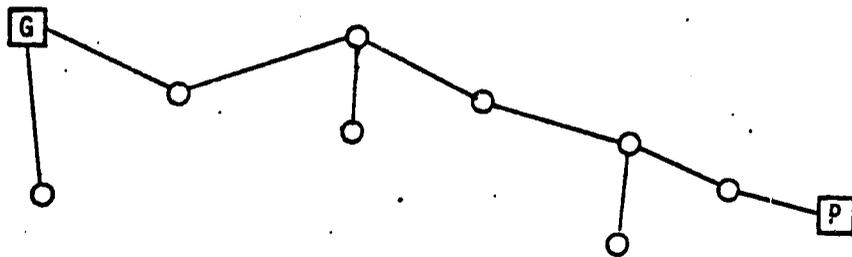
This is an idea that might well be a beginning for causal analysis in the Agency, but it is not adequately developed at this stage.

(b) "Connectworks"

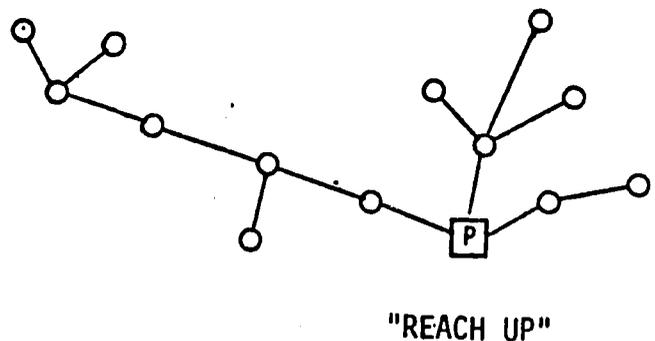
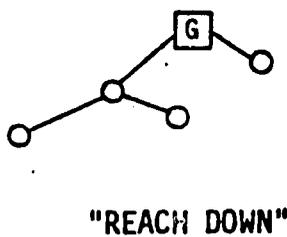
The "connectwork" method presented here should be considered for Phase II investigation as a type of methodology that appears to hold the key to vertical logic evaluation in Agency projects.

Based only on Effectiveness Tier data the Agency evaluator at the Significance level must attempt to actually establish what caused what in a project situation. This analysis has been explicitly suggested as a responsibility of the evaluation function by PBAR: It is the why of the "what happened and why" charter.

A "connectwork" is intended to be a two-directional micro-analysis of the intermediate hypotheses that ostensibly connect levels of a project through a single major hypothetical relationship. Within the category of intermediate hypotheses the connectwork takes in all of the critical project assumptions at the lower of the two levels being investigated. Conceptually the evaluator tries to sketch out these links the way they were intended to work.



He then defines what evidence he would need to establish whether intermediate hypotheses had been achieved, identifies the ones that seem critical and begins to work up from his lower level and down from his top level to determine what happened. He then resketches what the data say really happened:



In the sample above the evaluator would have to conclude that while his purpose was achieved, and had lots of higher level effects, it was a different set of causal factors that lead to goal achievement.

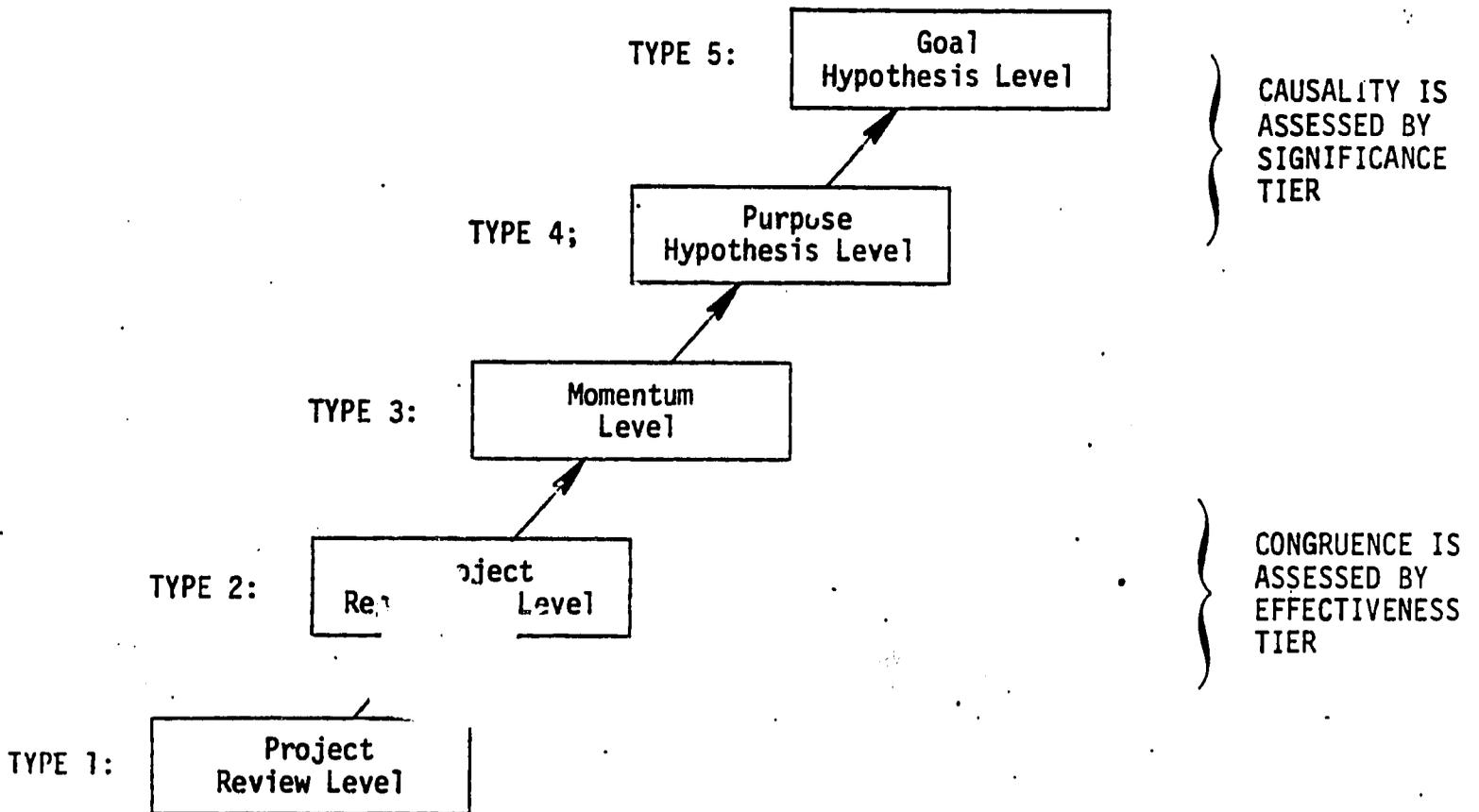
"Connectwork" methodology is an avenue of opportunity the Agency might develop further in Phase II.

C. EVALUATION RANGE AND DEPTH

Evaluation levels is a difficult term to work with and one which PCI hopes Agency officers will assist in replacing. Nevertheless, to discuss range and depth in the evaluation tiers we will in this draft report employ the term levels.

For purposes of this discussion let us first define range to be the number of factors the evaluation considers, and depth to be the level of detail in which they are considered. Using those two definitions we present draft specification for the range and depth appropriate for specific evaluation levels within the Effectiveness and Significance Tiers.

The proposed five level system includes two evaluation types that address the issue of why a project approach succeeds or fails, as well as three evaluation types that address what happened in an AID project. The five type system is shown in the following chart. Each type of evaluation in the system requires successively deeper examination of the project and raises a successively broader range of evaluation questions.



1. Effectiveness Tier Levels (Evaluation Range and Depth)

PCI has defined three evaluation levels within the systems effectiveness evaluation tier. In this discussion we will identify the central questions addressed by different evaluation levels, and under frequency of evaluation we will show when each level is used. There are three evaluation levels defined within the effectiveness tier:

- Project Review Level;
- Project Replanning Level;
- Approach Analysis Level.

(a) Project Review Level

The project review has a moderate range (just this project) and a moderate depth level (review of data on the project collected during the period since the last evaluation activity, e.g., records from clinics, contractor reports, etc.). There are three focus questions:

- What has been accomplished (Planned/Actual Performance);
- What evidence do we have that suggests that the project is moving toward purpose and should be continued? (Valid output assumptions; "leading indicators" of purpose);
- Is there anything we should be doing in this project or in addition to this project to ensure success? (Move questionable assumptions into sphere of influence; put implementation contractor under more supervision, etc.).

(b) Project Replanning Level

The Project Replanning Level has a moderate range and is an in-depth assessment (review of all evidence to date at all levels of the project, as well as review of hypotheses at the four project levels). The evaluation focus questions include:

- What has been accomplished to date? (Planned/Actual Performance);
- What evidence do we have on purpose and total achievement?
- Should this project be:
 - Recommended for Phase II?
 - Redesigned?
 - Expanded?
 - Terminated?

(c) Momentum Review

The momentum review is the only level of evaluation that will take on a different character for different project classes. That is, momentum in an operational project must address the issues surrounding turnover of the project to a host country, and momentum in a research project must consider research result utilization. All momentum reviews will also be expected to look backward and identify lessons for future projects.

These reviews have a broad range (project, program and general experience as well as host country information, where appropriate). The analysis has a moderate depth level. The central questions include:

- Was this project approach successful?
(Planned/Actual Performance at all levels)
- What problems did we have with project implementation that were project design problems? (Cost overruns, schedule delays inside the project, etc.)
- What assumptions gave us trouble in this project?
- If we were starting all over would we use this approach again?
- If not . . . given the problem we faced what approach might we have tried?
- Has any momentum for utilization of project results occurred; who should be informed of project results?
- What are the project costs of further efforts?

2. Significance Tier Levels

The significance tier evaluation levels are somewhat easier to represent. Put simply, there is a Purpose Hypothesis Level and a Goal Hypothesis Level (which if performed includes a Purpose Hypothesis Level review as well). The procedures are the same for both levels. They are separated in order to take into account that there will be situations where a significance tier evaluation is needed at the purpose level before a goal level analysis can be undertaken.

(a) Purpose Hypothesis Level

This level, which we expect will be undertaken with evaluation function assistance, at least during the first year or two, consists of an analysis and validation of the output-purpose hypotheses, or determination that this hypothesis was either not valid or not validly tested in the project. As a result of the assessment the evaluation team should in addition to reporting on validity be able to present data on the effectiveness and efficiency of the project approach for achieving technical, development and distribution effects at the purpose level. The assessment should also determine project contribution to date to goal level objectives, and it should assess whether project effects have been felt in areas other than the intended objective areas. Both positive and negative side effects of the project approach should be presented. The significance evaluations at both levels are both broad in scope and performed in-depth.

D. SKILL REQUIREMENTS *

1. Effectiveness Tier

Skills required at this level can be taught within the Agency. These skills should constitute a basic minimum for all Agency project officers. These skills must include:

- Agency project design;
- How to collect data and analyze it (or direct others in doing so);
- How to define indicators (or direct people to sources of indicators);
- How to set targets (or get others to do so);
- Basic concepts of research design (and what can and cannot be used as a natural control).

While this list requires further specification in Phase II, it is intended to subsume a basic set of skills that are considered general in nature. Often Agency officers are prepared in some of these skills; for others it is simply a job of filling in on a college course that was not taken. Those skills that are not general in character at this level are Agency specific and must be taught to organization members.

2. Significance Tier

To a degree it is hoped that the methodologies that define the requisite skills can be developed in the Phase II effort. But to the degree that we can currently specify these skills would constitute a basic minimum for the Agency's evaluation staff, and would consist of:

-
- * While not discussed in detail it is expected that technical skills will be required in carrying out evaluations in specific fields. Further the proposed system retains the concept of "process management" skills that the Evaluation Officer employs in helping project officers prepare for evaluation.

- All Agency project design and evaluation methods;
- Scientific method, research design, basic statistics, etc.;
- Measurement techniques, interview techniques, and other data collection methodologies that may be needed by project officers;
- PPT, PERT, line of balance and other related management tools that assist agency officers in straightening out projects.

Simply put, it is expected that the Agency's evaluation staff will keep up with the state of the art and collateral tools offered by the sciences and mathematics. An Agency evaluation officer should himself be able to perform any evaluation he recommends to a project officer, and he should attempt to pick up the methodological tricks used by contractors from whom he procures evaluation services.

E. FREQUENCY OF EVALUATION

The evaluation tiers and evaluation levels have been arranged in a step-wise progression such that any higher level evaluation can be employed to replace the level called for. The intent here is to place some basic minimum requirements for the system while at the same time encouraging Agency officers to undertake the kind of evaluation that is needed, and not have to pay the penalty of also having to perform a second "required" evaluation during the same time frame.

The progression then, which allows for automatic cancellation of the required level whenever a higher level is selected, is:

1. General Form of the Project Evaluation Schedule

a. Type 1: Project Review

Required for all Agency projects on an annual basis except where an approved project PPT has specified alternative intervals that in no case exceed half of the project funding period.

b. Type 2: Project Replanning

Required for all projects seeking renewed funding (phased projects and all other extension requests), project expansion (incorporation of new responsibilities) and all projects requesting a major refocus of project effort.

Tentatively required four months before approval is requested.

c. Type 3: Momentum Review

Required as a terminal evaluation in all projects. Special formats to be developed to cover project classes where the momentum takes the form of turnover of operational responsibility to a host country, definition of the next steps following a research or methodology breakthrough, etc.

d. Type 4: Purpose Hypothesis

Required for one project in each project class every three years, at minimum. Incorporates prior evaluation data and establishes causality between project outputs and project purpose. Responsibility for planning and management of the evaluation lies with the central evaluation function.

e. Type 5: Goal Hypothesis

Required for one project in each Bureau and major operating office every three years, at minimum. Encorporates prior evaluation data and establishes causality between project purpose and project goal. Responsibility for planning and management of the evaluation lies with the central evaluation function.

This five level system is designed to provide project, program and evaluation managers with the following options for evaluation:

- a. Bureau and office ability to substitute any higher level effectiveness tier evaluation for any required effectiveness tier evaluation. Substitution and completion of the requirements for the selected evaluation subsumes and therefore eliminates, automatically, lower level reporting requirements.
- b. The option to call for and request funding of a significance tier evaluation to replace any lower level evaluation be given to Bureau and office management.

Allocation of funds and the responsibility for planning and managing such evaluation to be the responsibility of the central evaluation function.

- c. The option in all Bureaus and offices to call for and, for significance tier evaluation request funding of, additional evaluations as needed to carry out program and project management responsibilities.

Calls for additional significance tier evaluations require allocation of funds, planning and management by the central evaluation function.

d. The option in the central evaluation office to call for, allocate resources in support of, plan and manage additional significance tier evaluations as needed to:

- (1) Support broad Agency needs for evaluative information concerning the effectiveness and/or efficiency of specific project approaches for achieving technical, development and/or distributional effects;
- (2) Enable that office to carry out its responsibility for ensuring that evaluation at the project level is a high quality process that produces high quality products in support of Agency decision making processes.

2. Project Evaluation Schedule Rationale

In total the demands for evaluation of Agency projects are not heavy in the proposed system. An annual review of the project, of the form good management would normally take, is recommended for all projects and should be encouraged. On the other hand study data indicates that this type of annual check is not always required, hence based on approved PPTs there is flexibility in the requirement for project reviews. It is designed to allow evaluation to take place at sensible points in the project life, not to reduce the gains already made in project classes where periodic evaluation has been required.

It should be noted that if in between two and a half years the evaluation functions finds that the flexibility in this requirement is being abused, the annual requirement for evaluation should be reinstated. AID has come too far in the past five years to allow a reversal of the project management review and improvements gains made to date.

Momentum evaluation is required for all projects for two reasons: (1) there is value in "tying things up," and there will be particular value in projects that are being turned over to the host country for operation; and (2) there is a legitimate need for the type of information required by the momentum review -- the project design function will move forward at only a slow rate until the Agency begins to develop the type of data on alternative project strategies that it requires to make the optimum choices for specific project situations.

F. FEEDBACK AND REPLANNING

The first recipient and user of project evaluation results in all cases is the project unit. The specific reporting requirements for each level of the two tier system require specification in Phase II. At this point PCI notes that there are reporting requirements associated with each of the levels of project evaluation. The reporting requirements are intended to be not only records of the process but also to provide insight into project approaches that can be used in the development of new projects. Just as the levels of review are a step-wise set in terms of complexity and number of questions to be addressed, so to the required reports will be step-wise in nature. In general the reports will be expected to address:

EVALUATION LEVEL	EVALUATION REPORT COVERAGE						
	PERFORMANCE	ASSUMPTIONS	DECISIONS	PROJECT APPROACH	LESSONS	CAUSALITY	USE OF PROJ RESULTS
1. Project Review	/	/	/				
2. Project Replanning	/	/	/	/			
3. Momentum:							
a. Approach Analysis	/	/		/	/		/
b. Utilization	/	/		/	/		/
4. Project Hypothesis	/	/		/	/	/	
5. Goal Hypothesis	/	/		/	/	/	

G. ROLES AND ORGANIZATIONAL ARRANGEMENTS

In general the "people organizing" aspects of the evaluation system were found to be working as well if not better than the information organizing aspects. While further review of actual review procedures in specific bureaus is required in ^{Phase} Phase II, it is expected that the general set of procedures now prescribed will be recommended for continuation. At this point the review has indicated that one role has been truly useful, one role is needed, and one set of organizational arrangements requires further examination.

1. The Evaluation Officer

The role of the evaluation officer as a "neutral" and process oriented figure is viewed positively. Attention to the retention of this process manager as the system evolves will be required, since in some cases both a "neutral" process manager and an AID evaluation specialist may be required. The creation of the significance tier may create a role problem. If the choice has to be made it probably should be made in favor of process management.

2. The Host Country Manager

In all cases where projects are designed and implemented with the intent that the host country will continue/maintain the facility, system or institution created by the AID project, the Director of Operations for the project must be made an integral part of the AID evaluation process. The man who will eventually run the project as an operational program, or the man who will hire him, is to be given a central role in the evaluation process for this cluster of projects.

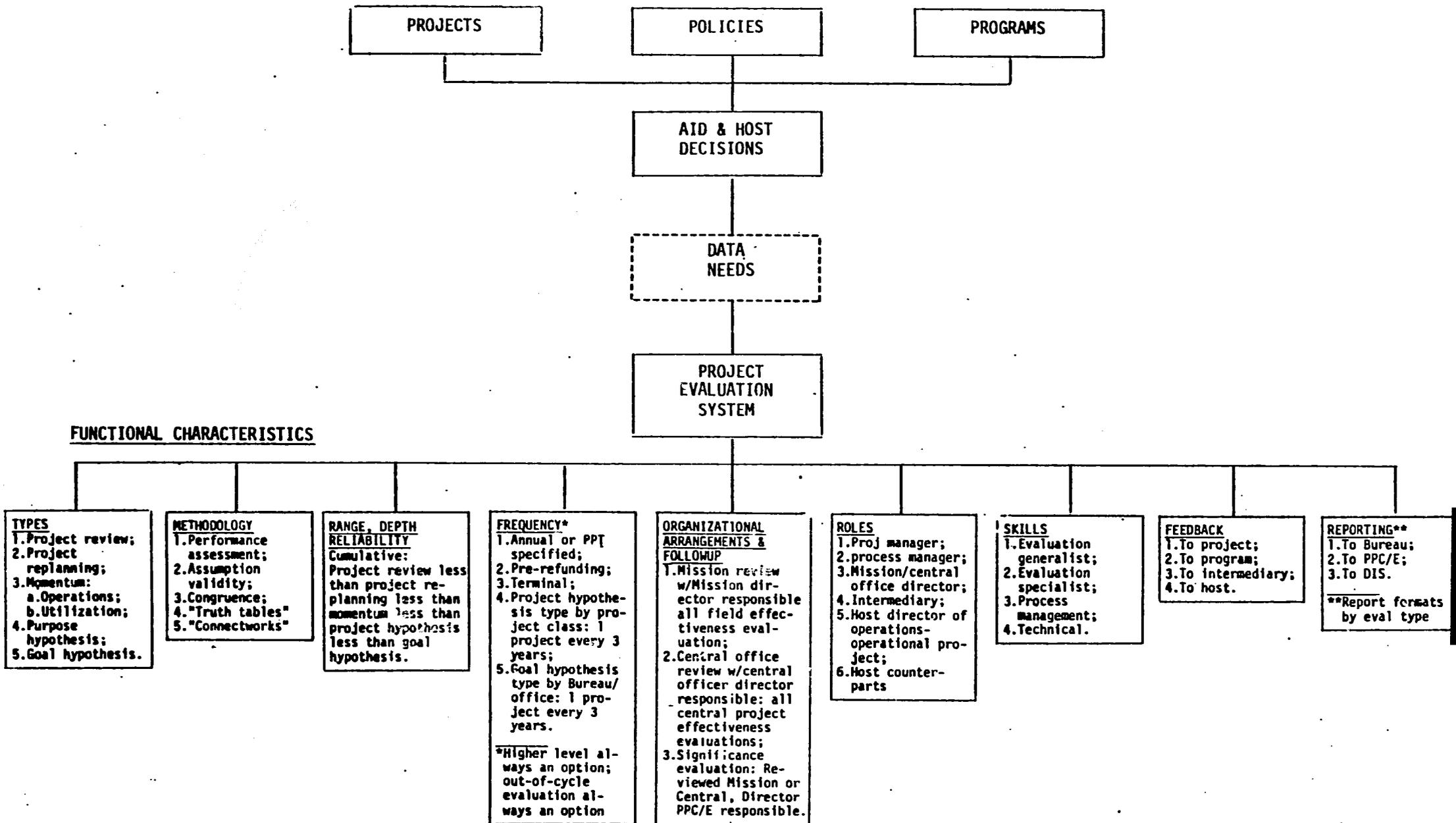
In non-operational project host participation should be sought -- and the pressure to include the host in the evaluation process should be increased. Within the set of system roles there will be a definition of a role for host government participants.

3. The Private Voluntary Agencies

The organizational arrangements required in order to develop an evaluation process that places the right balance in evaluation procedures involving the private voluntary organizations requires further review in Phase II. The AID procedures are not fully applicable to this situation, and a more appropriate approach must be discussed with the PVOs and with AID.

h. Recapitulation and Some Immediate Steps

As summarized in Figure V-1 below, the outlines of the system have been defined. Early in Phase II, a number of points must be reviewed with AID so that road maps to the system, for each specific project class, can be finalized. To prepare the system roadmaps, such as outlined in Table V-1, we must work with various AID offices to determine for example how the Project Review and the RAC review can be timed or combined for research projects, how the future host director for an operational project can be given a critical role in evaluation reviews that will facilitate project turn over, etc.



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Figure V-1: SYSTEM OVERVIEW

Table V-2: SAMPLE "ROADMAP" FORMAT FOR FINALIZING
SYSTEM REQUIREMENTS BY PROJECT CLASS

FUNCTIONAL CHARACTERISTICS OF: <u>PROJECT REVIEWS</u>							
PROJECT CLASS	METHODOLOGY	SKILLS	FREQUENCY	RANGE & DEPTH	ORGANIZATIONAL ARRANGEMENTS	ROLES	FEEDBACK & REPORTING
Capital Assistance							
• • •							
Research							
• • •							
211d							
etc.							

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CHAPTER SIX

EVALUATION SUBSYSTEMS

The proposed project evaluation system covers all classes of Agency projects, recognizing that there is a need to guide the extension of this system into each new project class. Guiding the system extension will mean finding the small things that must be straightened out in order to apply a system that is conceptually appropriate, in both its design and interactive evaluation review elements, for all of the classes of projects examined by the PCI study.

In finding that the Agency did not require special evaluation subsystems for project classes we did not, however, determine that subsystems are unnecessary. Rather, the study identified a need for three evaluation subsystems that are functional in nature:

- Evaluation training and project design training subsystem: the PEOPLE subsystem;
- Evaluation planning and design evaluatability assessment subsystem: the PRODUCT subsystem;
- Evaluation management and Resource Allocation subsystem: the PROCESS subsystem.

Recognition of the need for these support systems for the evaluation system began from study data and the full set of requirements are not yet clear. However, it is clear that:

1. Despite improvements in project design and efforts to make projects evaluatable the entire product system suffers from a

lack of attention and the absence of a quality control function;

2. Despite the presence of Agency training courses, AID officers who have taken the courses do not use the basic concepts well, let alone plan and manage quality evaluations.
3. Little is understood about the quality of the Agency's internal evaluation reviews and the processes surrounding them in terms that would facilitate improvement of these processes;
4. There does not appear to be a rational, long term plan for making evaluation investments -- either in people, products or processes.

If the Agency is going to take major steps forward in evaluation these issues must be addressed. The study findings suggest they must be addressed both as functions that address improvements, and as certification bodies that test the products, people, and process associated with the system before they are tested by the success or failure of real projects.

In general, we currently view the functions of the three subsystems to be:

1. The People Subsystem

- ° Responsibility for system training;
- ° Responsible for curriculum development and improvement;
- ° Responsible for certification of trainers;
- ° Responsible for certification of trainees.

2. The Product Subsystem

- Responsible for an interactive process, even where geographically remote locations are involved, that "scores and annotates" project designs from a design evaluability and concept utilization standpoint between the PRP and PP stage and returns them to the designer;
- Responsible for re-review and approval of designs and evaluation schedules at the PP stage;
- Responsible for the review and approval of specific evaluation plans in the light of the project design, specifically for what type of evaluation will be made and how the evaluation will be done.

3. The Process Subsystem

There should be a long term plan against which resource allocation decisions are tested, and within which tradeoffs are made -- the process subsystem is the logical home for this responsibility. Here too, falls the responsibility for ensuring that the mandatory requirements by bureau and project class for significance evaluation are met. This subsystem would make the random sample for such mandatory significance evaluation. Further, there are requirements for enforcing both process and product assessment within the system, and encouraging the accumulation by the system of new stimulants. These issues are reviewed below. Project effectiveness evaluation is not only to be made mandatory, it is to be audited, on a random basis, in each bureau or major non-bureau office operating Agency projects on an annual basis: one project per bureau or major office. The project effectiveness evaluation audit is to serve two functions:

- (a) Assessment of the quality of the evaluation process;
- (b) Forced contact between the central* evaluation function, a member of whose staff must serve as the leader of the evaluation audit team in every case, and real project evaluation.

It should be noted that purpose of the evaluation process audits in all cases would be to improve Agency evaluation. In no case should the evaluation audit team undertake to become involved in altering an audited evaluation during the review. The job here is to listen, learn, and take action at the end of the audit process -- not on the specific project or the specific parties involved, but rather through redefining requirements, improving evaluation guidance, training, the development of further examples for the classes of projects reviewed and the like.

Significance evaluations must be planned and managed centrally. Decentralized evaluation has over five years shown neither the capability or interest required to carry out such evaluations. Where contracted, significance evaluation should always include a member of the Agency staff as a team member. In designing an Agency operated system. PCI has recognized and assessed the Agency's manpower problems as well as the Agency's project processes. The processes are so integrally related, and interdependent, that while an internal evaluation system poses manpower burdens, it is in the long-run best interest of the Agency to operate this system with its own personnel. Thus in contracted evaluations, particularly in the significance tier AID should seek a return on its investment in evaluation contractors in the form of new evaluation skills acquired by AID as a function of evaluation team membership.** Overview to ensure this happens would be a responsibility of the Process subsystem.

* Central here includes all bureau and office evaluation officers with the caveat that they shall not perform evaluation process audits in the bureau or office in which they serve.

** in the case of significance evaluations, unlike effectiveness evaluation audits, it would not be required that current evaluation officers join the teams. If you will, the Agency should look to use such required team membership as a school for evaluation officers, and evaluation system trainers and allocating team memberships on that basis.

In addition to the subsystems, which, as specified, tentatively both include and exclude bureau evaluation officers, there is a final set of responsibilities and those are the responsibilities of the manager of the subsystems, that is, the Director of the Central Office of Evaluation.

In viewing the proposed subsystems, PCI's own experience has indicated that the tendency to become "stale" in anyone of the subsystems after too long a time is high. What is currently envisioned, and requires further discussion with AID, is a tri-partate office or evaluation function with a self-correcting nature, in which people move back and forth between subsystems on a rotation basis. Not included in the regular rotation would be bureau and mission evaluation officers; however, some form of rotation to the evaluation office/function for these individuals would probably be desirable from both the point of view of the individual and the total system.

CHAPTER SEVEN

PLANNING/DESIGN STANDARDS AND METHODS

PCI's examination of the evaluation system and evaluation concepts has not put us in a position to make firm recommendations for planning/design standards and methods for the proposed evaluation system. Rather the study efforts to date have brought us to the point where issues that preceed the definition of system planning/design standards and methods are clear and discussable. In this section we posit for AID the problems as they have emerged. Based on discussion with the Agency, Phase II will move forward to further specify the system in this dimension.

The first issue the Agency must consider is the area of design standards and methods, and the real ability of the Agency to provide the assistance and enforcement required if a shift is made from "guidelines" to "standards."

In the prior section, PCI recommended that the Agency consider the development of a project design and evaluation planning assistance group: A project subsystem for the Agency. There is currently a lack of quality and a lack of consistency in the manner in which system concepts are applied. The purpose of the product subsystem is to address this issue. The methods for improving the quality of use of system concepts was to be an interactive, though possibly long distance, review of project design and evaluation plans using "scoresheets" and annotation as the basis for the concept use review, and for providing assistance in making projects evaluable.

The functional subsystems are recommended since the level of attention required in this area is beyond the capability of current evaluation staff to provide. The fundamental question in improving the quality of designs and evaluation plans revolves around the availability of people to provide the assistance required. Hence, in discussing standards and methods the Agency

must first consider whether it is willing to build the support sub-systems required to follow through on the quality issue.

Internal to the issue of standards, PCI found three areas where discussion with the Agency is required in order to resolve issues that currently impede the definition of standards and methods:

- System concept application;
- Issues for complex projects;
- Issues in non-project assistance.

1. System Concept Application

The chapter on evaluation impediments and opportunities raised three questions for the Agency in the area of definitions. In this section those questions are reviewed in terms of the types of project situations in which they were raised:

a. Development Hypotheses and Manageable Interest

The two questions raised for the Agency in this area were:

- Development Hypotheses:
Is the Agency willing to embrace within this term hypotheses with a probability of unity, or does a probability of unity suggest that the realization of the "then" condition is within the "manageable interest" of the AID project?
- Manageable Interest:
The Agency is not comfortable with the term project manager as descriptive of the role of the AID officer who deals with a project that is in fact "managed" by an intermediary. Rather than use the term, the Agency has dropped a central system concept from its guidelines. Should the words be changed and the concept saved?

Issues raised in discussions of capital projects highlight the nature of the issue. While this problem stands out in sharp relief for capital projects, it can be found in technical assistance and other project classes as well. The heart of the problem posed for system lies in the definition of a development hypothesis and in the concept of manageable interest. The Agency's definition of a development hypothesis, from the third edition of the Project Evaluation Guidelines, is as follows:

"Development Hypothesis:

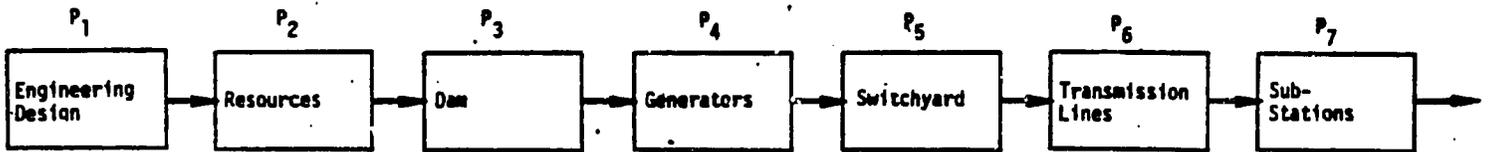
'If outputs, then purpose' is the project development hypothesis. The hypothesis that project purpose will lead to program or sectoral goal is the program development hypothesis. These are hypotheses because we are not certain of the causative relationship between the if statement and then statement. Projects should be supported only when informed judgment, based on the best available evidence, provides reasonable confidence that the then statement will be achieved."

One of the central unresolved issues that currently complicates application of the Agency design system to capital projects is the lack of an Agency judgment as to whether hypotheses where the probability associated with the "if-then" statement are acceptable as "development hypotheses."

For purposes of explication, assume a capital development project where the purpose has been identified as Increased Electrical Power Available. In the project, the measure of power is 620MW capacity. The technical studies for the project are valid. AID has allocated the required resources for the project. Competent management is carrying out the project. The project outputs have been clearly defined to include the necessary dam, water in the dam, a completed hydroelectric plant, etc.

PCI's analysis of this project situation from three viewpoints: Engineering, mathematics, and the AID project design system, indicates that the type of hard engineering project described in the project will be based

on known and tested technologies. We may represent all such projects therefore as a summation of a series of suboutputs. If there are no duplicate efforts which can take over in the event of failure of an important element, then the suboutputs must be considered as a series chain where failure of one element results in failure of the entire project. In the instance of the illustrative power project we may draw the following simplified schematic:



$$P_s = P_1 \cdot P_2 \cdot P_3 \dots P_7$$

Where P_s = probability of project success, and

P_x = probability of success for each suboutput.

Since all of the elements in the chain use known and proven techniques, the only variables (unknowns) are time (to complete) and funds (total amount). In our illustration each of these variables has a 100% probability of being available. Thus we need only consider the individual probabilities of the suboutputs in order to determine the probability of project success. Using known and tested techniques at each stage gives us:

$$P_s = P_1 \cdot P_2 \cdot P_3 \dots P_7 = 1$$

Which is to say that since the probability of success for each of the suboutputs is 100%, the probability of success of the sum of the suboutputs is also 100%:

620MW capacity = dam, with water, hydroelectric plant, etc.

It is a certainty that the 620MW capacity will be available if each of the suboutput efforts was successful.

The issue of the acceptability of development hypotheses with a probability of unity must be considered by the Agency. The issue is discussed again in the chapter treating Planning/Design Standards and Methods. While identified by the capital project class, this issue had implications for application of the system in all classes of projects and should be examined in Phase II from that perspective.

The second system concept that touches on this issue is the concept of manageable interest. Manageable interest was defined in the original system design presentations to include those results of a project that the Agency, through its own managers and intermediaries, could commit to producing. This concept has not been employed actively by the Agency due to difficulties associate with the term "manager" in the context of AID.

Nevertheless the project design approach used by the Agency rests on the proposition that AID is committing to produce the project outputs when it approves a project. Applying this concept, inconjunction with a possible Agency determination that hypotheses with a probability of unity should be excluded from the acceptable set of development hypotheses, would imply that power in the project illustrated above be considered an output in a logical framework. Purpose in this case would then have to address an identification of why the project was making power available.

In a draft "scoresheet" for project designs used by PCI in this study* the issue of development hypothesis was raised through the questions:

Is the purpose a restatement of outputs?

Is the purpose above the manageable interest of the project?

Review of the scoresheets indicated that the study team had difficulty in unequivocally scoring three different projects, from different project classes in this dimension. Hence resolution of the issue can be expected to impact project classes beyond the capital assistance class where the issues were clearly defined.

b. End-Of-Project-Status

A single question was raised for the Agency in this area:

If a project ends when Agency involvement ends, can end-of-project-status be measured by the project team? Is end-of-project-status the achievement of the set of targets that represent the logical completion of the project, or is it to be the trajectory established at the point in time where AID transfers the responsibility for achieving the completion of the project to the host; i.e., management of the operational program created by the AID project?

For Agency products there is an unresolved issue concerning what is meant by the Agency when it speaks of the end of an AID project. A draft airgram on phased project outlines the current status of the issue:

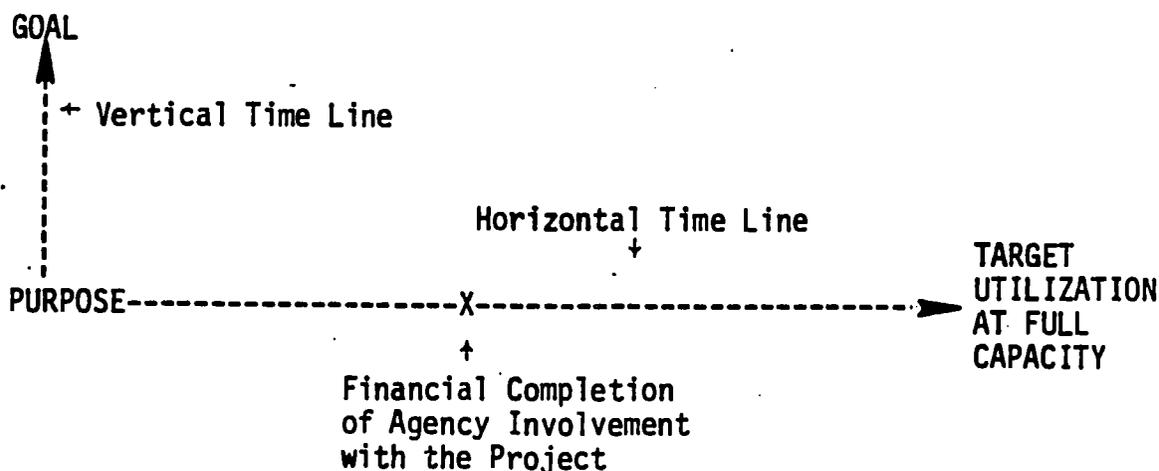
* While we are considering recommendation of such a scoresheet for the evaluation system's product subsystem, we do not include the draft with this report: Upon review we find that the draft scoresheet took a position on a number of the system concept uses that must be clarified. Hence circulation at this time would appear to be dysfunctional.

"Commencement and completion of projects is in accordance with accrual expenditure concepts and is used herein for the sake of precision and clarity. Under the logical framework methodology, of course, the definition of project completion is more judgmental, being defined as achievement of project purposes measured by the end-of-project-status indicators."

In interviews with Agency officers, this problem was discussed frequently. The discussion of end-of-project-status within the logical framework methodology took on two dimensions, both of which were discussed in terms of a "time line of expectations." Project purpose was described as having time frames in two directions:

- ° A Horizontal Time Line addressing time until the system or facility is providing services at full capacity. -- for operational projects and/or time until the project results are fully used for research/methodology development projects;
- ° A Vertical Time Line addressing the time component of the purpose to goal, and goal to higher level objectives.

Schematically, these time dimensions are represented in the figure below:



1. The Horizontal Time Line

The horizontal time line poses problems for the project manager. It is the horizontal time line that the difficulty of financial completion versus some terminal target achievement addresses.

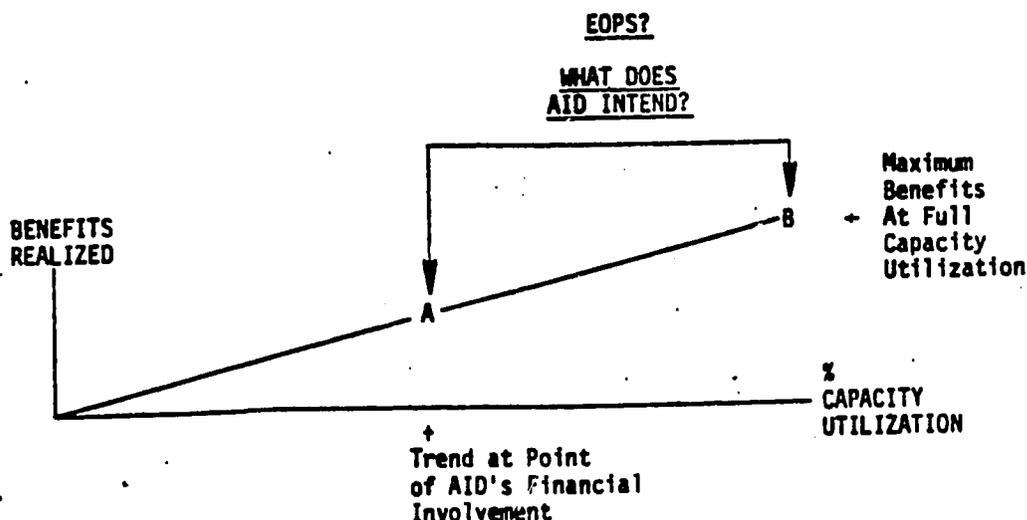
The only project officer who had happily resolved the horizontal time line problem in defining his project EOPS had resolved it by putting in the EOPS box both:

- Status as of the time of financial completion;
- Status at the point where the system is being operated and used at full capacity.

In its essence this project officer had prepared himself for both eventualities:

- A. AID means by end-of-project the financial completion of AID involvement, or
- B. AID means by end-of-project the benefits realized at the point of full capacity utilization of the project result.

This time line, and the two points picked are displayed on a simple two dimensional diagram below:

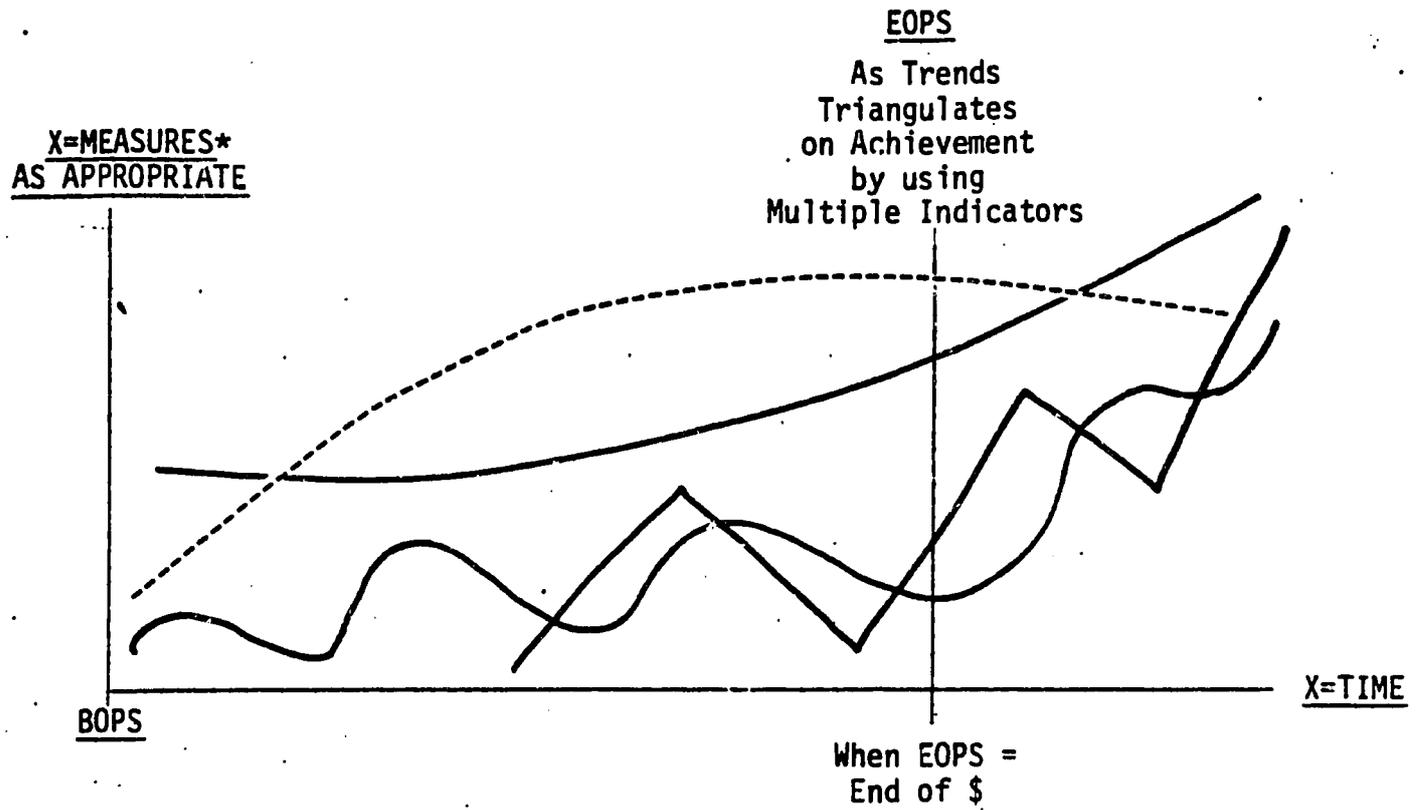


The concept application issue concerning EOPS within the logical framework methodology has basic implications for the system:

- If EOPS = Maximum benefits at full capacity, then someone in AID whose concern extends beyond the financial life of the project will have to ascertain whether the project achieved its purpose, e.g., the AID program level and perhaps the host recipients;
- If EOPS = Trend at the point of AID's financial involvement, then the project team will be responsible for ascertaining whether the project is on a trend line toward maximum benefits at full capacity or not.

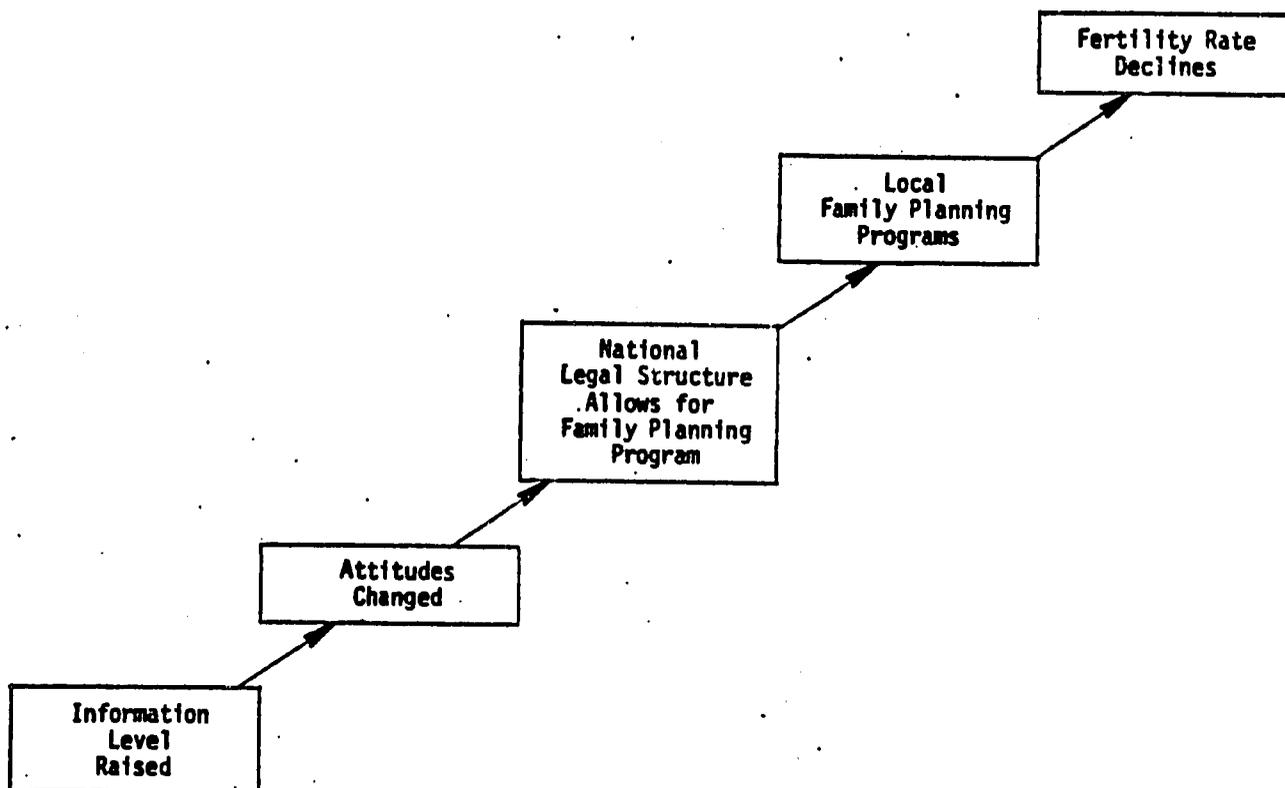
To some degree AID could have it both ways by giving the responsibility for trend assessment to the project level and responsibility for assessing whether the maximum benefits at full capacity were in fact realized to the Agency program level. As noted above the decision is needed, but it cannot be made without further discussion with AID.

One implication of a decision that EOPS = trend at the point of AID financial involvement should be considered. To deal effectively with an assessment of trend in real projects AID would have to increase its already established tendency to define multiple measures or indicators of purpose. In the majority of AID projects the trend that is being sought cannot be measured by one assessment. That is, the straight line function misrepresents real AID projects in two ways: First, the purposes are multi-dimensional in most cases. Second, the progress toward purpose is often non-monotonic on a specific indicator. Thus the assessment of EOPS as trend would be more likely to require assessment on a number of parameters, in fact, the more the better. The illustration below indicates that to develop a true picture of whether the project is moving toward maximum benefit at full capacity utilization requires that the evaluator not be fooled by a downward trend on a single indicator.



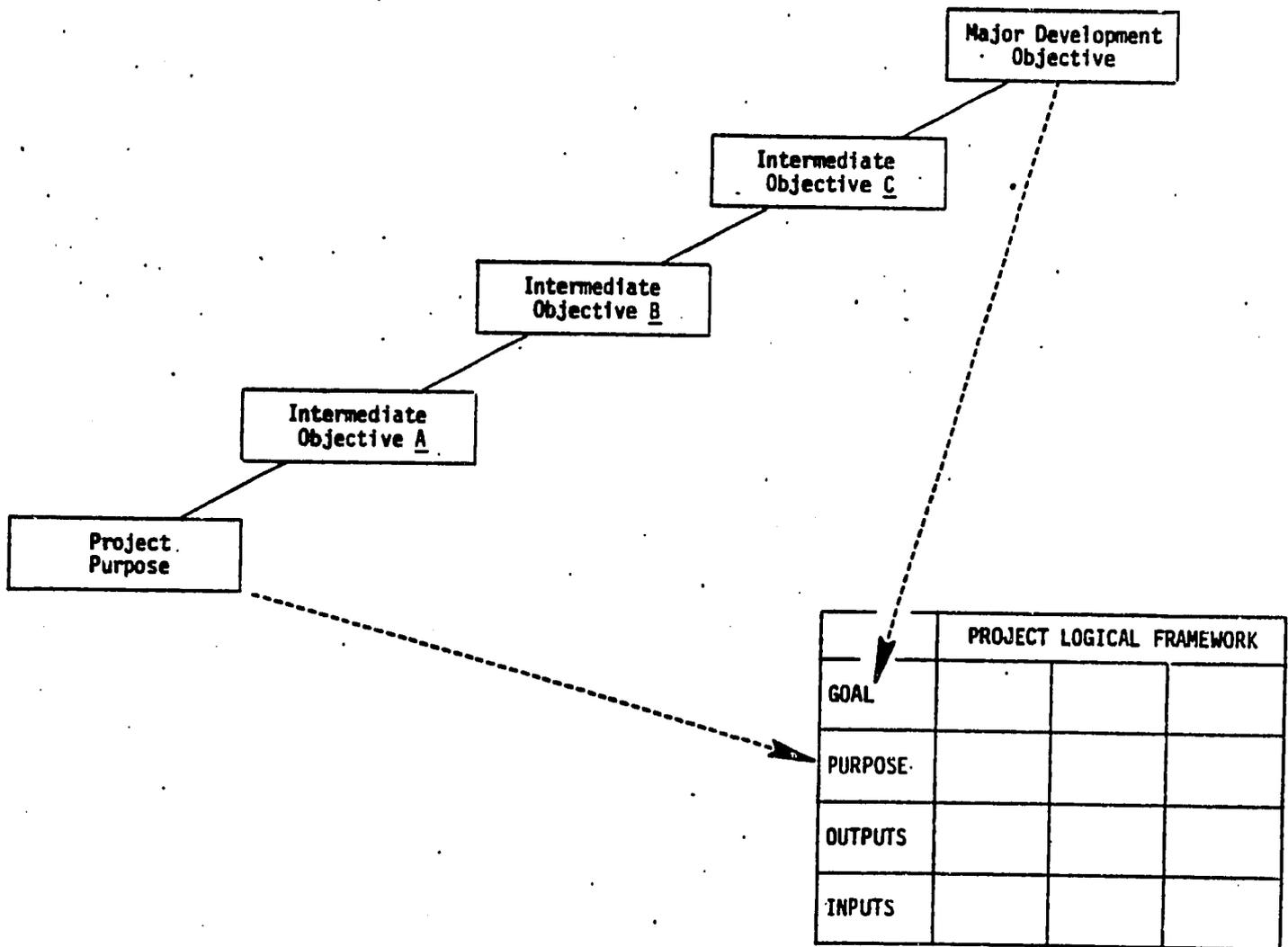
2. The Vertical Time Line

In a draft paper circulated in the Evaluation Office during the course of this study, PCI discussed the vertical time line reported by AID project officers. In a general form this time line addresses the fact that project purposes and the purpose to goal link do not always take projects all the way to target group impact. That is, there is a series of events or objectives that intermediate between the achievement of purpose and true developmental impact. In the sample projects reviewed, this type of time line could be seen perhaps most clearly in a Population office project. The final objective toward which all population projects are directed was repeatedly stated to be reduction of the fertility rate. The specific project examined was not going to impact that objective immediately or directly.



At any point in this chain, or similar chains of objectives that are addressed by other AID projects, AID officers had some level of difficulty defining how much their projects had to provide if the chain was to be in fact successive. The central problem faced in the majority of these cases was the absence of a clear statement in measurable terms of the objective just above project purpose. The answer to how much is enough at the purpose level paralleled the problem at the output level for projects in which purpose was not clearly and measurably defined. Thus while recognizing that there is a chain of objectives, AID project personnel indicated that if only the objective immediately above purpose in their projects were operationally defined the first end-of-project issues could be resolved. That is, projects could begin to define how much purpose achievement was enough to meet the next level targets.

This problem was found to be particularly difficult for TAB projects where the key problem area objective was always the project goal even where there were a number of intermediate objectives implied. Schematically, this problem, which faces projects outside TAB as well as a number within that bureau, is represented below:



2. Complex Projects

Study findings indicated that there are two issues in the area of planning projects using the logical framework methodology.

a. Use of the Methodology

The first of these issues was how to apply the methodology at the complex level of the project, and yet use the system in a way that would make sense for day to day management and review. Two basic alternatives were offered during the study:

- Multiple levels of the matrix;
- Master and output logical frameworks.

In this section we simply point out the alternatives, describe them briefly and recommend that the Agency work with both methods to determine which approach brings value in which situations.

(1) Multiple Levels

Multiple levels of the framework simply suggests that in some projects the successive objectives to be achieved are logically and hypothetically related. Further, this approach appears appropriate when a project is expected to demonstrate the way in which it is related to a major development objective. As the number of levels considered increases, the matrix grows and becomes more complex visually. The logic, however, stays the same.

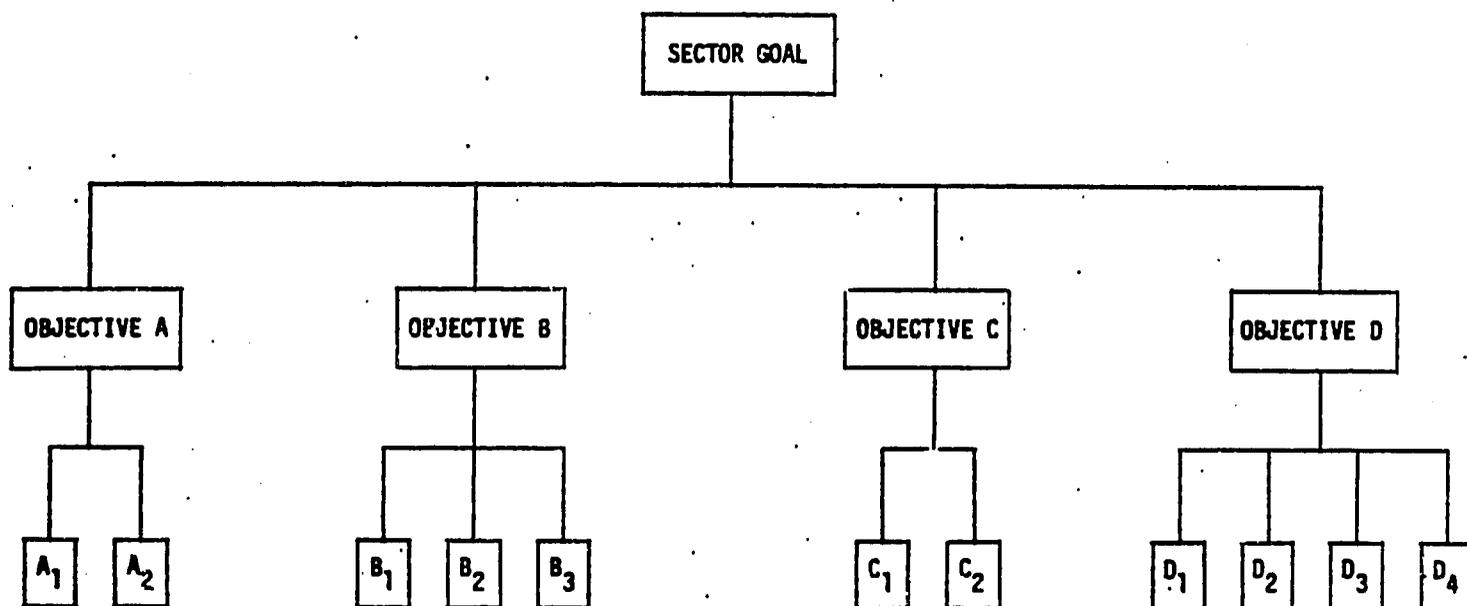
MULTIPLE HIGHER LEVEL OBJECTIVES MATRIX *

COMPLEX PROJECT			
NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
GOAL			
PURPOSE			
OUTPUTS			
INPUTS			

* This concept is used by AID in its 1973 publication The Logical Framework: Modifications Based on Experience.

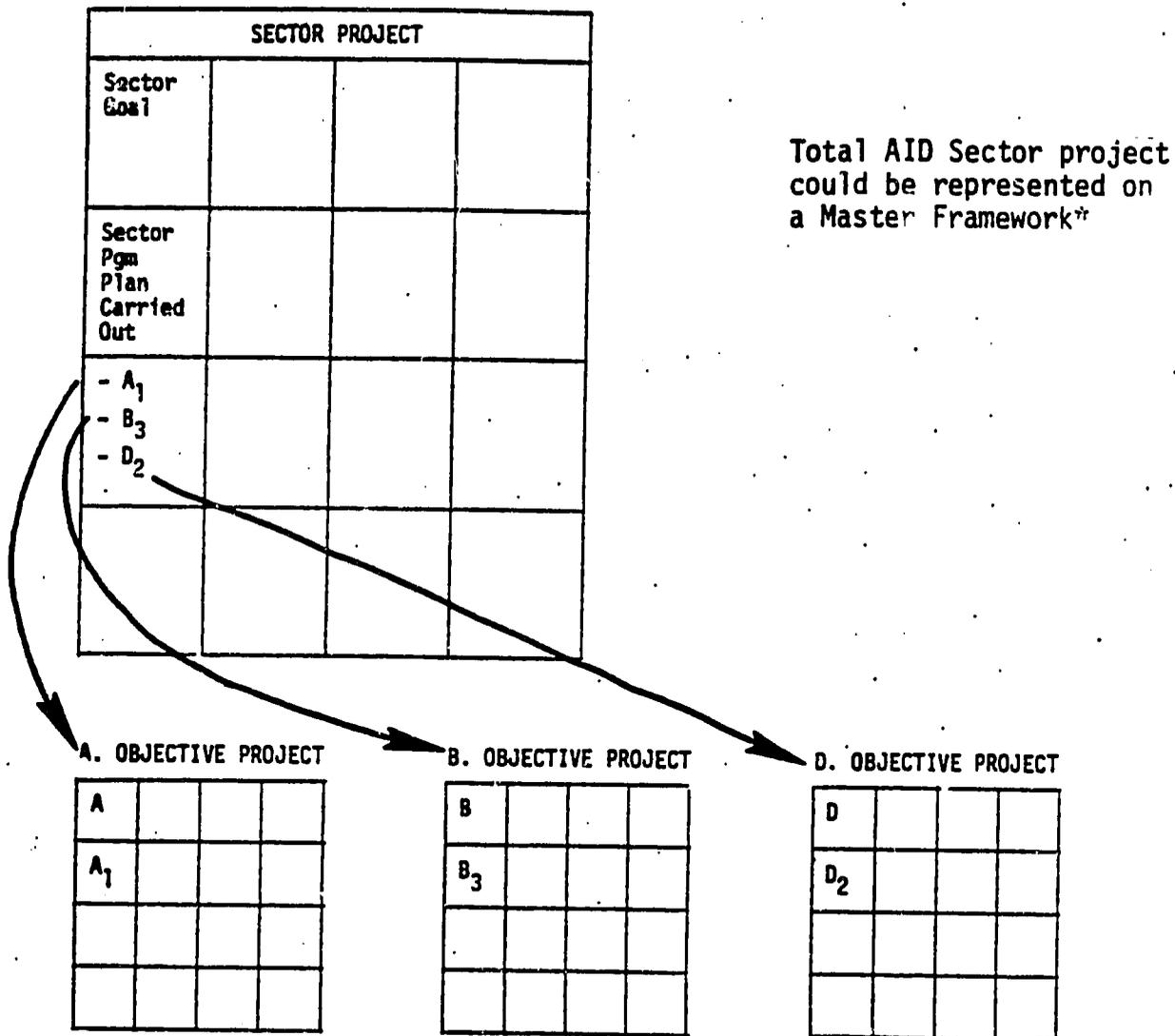
(2) Master and Output Logical Frameworks

While the "multiple level" approach may be an approach to the type of intermediate goal levels found in TAB projects, sector projects appear to require an approach that resembles more closely a conventional work breakdown structure analysis. The form of a sector loan of the type examined in the study can be displayed as follows:



The diagram represents the general form of the entire sector program; AID's effort on the other hand included the equivalent of A₁, B₃ and D₂. In using the logical framework methodology for this AID effort it became clear that while the goal level could display the "sector goal," and the output level could identify A₁, B₃ and D₂, the purpose box posed a problem. Here none of the intermediate objectives could be stated because more than one was affected. Thus, the purpose box was confined to specifying that the

total program be carried out as planned. While this sector project could be put into the logical framework, it was only by breaking the AID effort into separate projects that the system accurately described the AID effort.



* AID has tested the idea of master logical frameworks, and management level logical frameworks in some complex projects in the Africa bureau as part of a Bureau and PCI effort to design a mission level management information system.

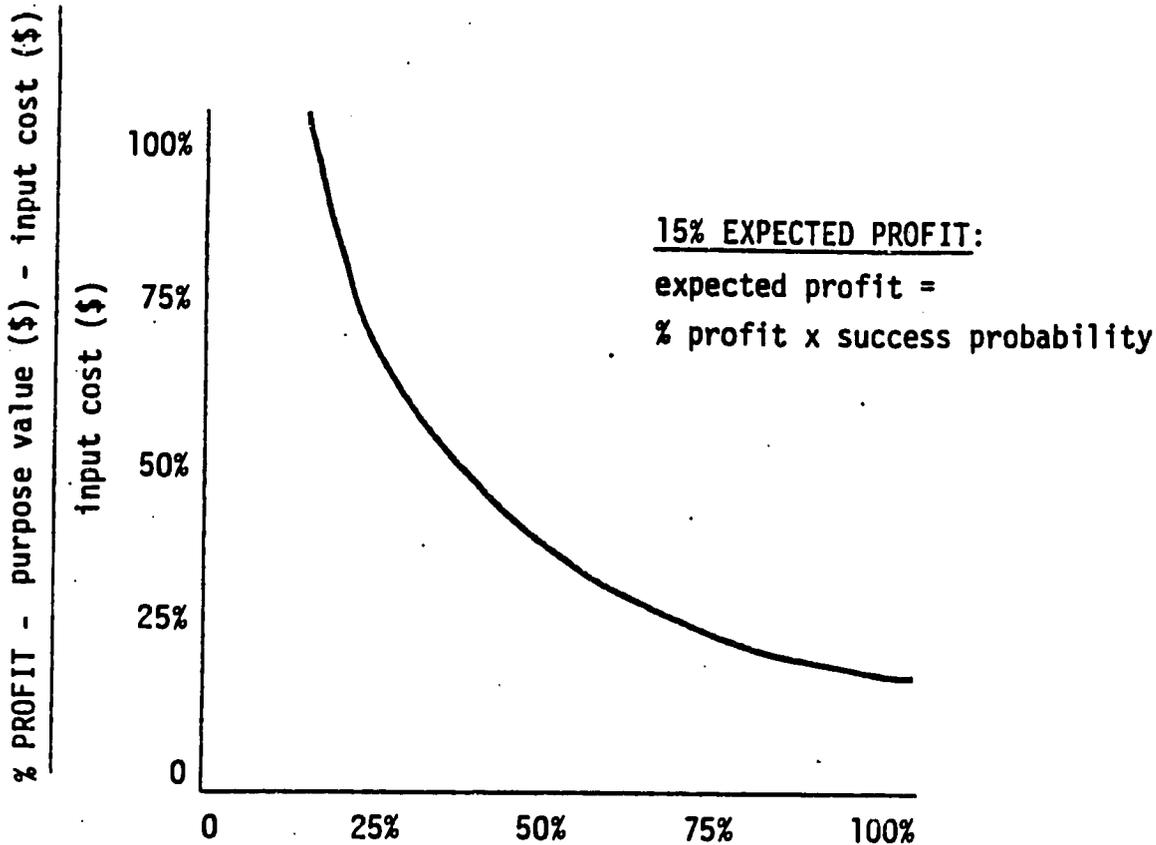
Day to day management considered the sector project components to be subprojects, each with an internal logic.

b. Complex Project and Management Levels

In the discussion of system definitions, the issue of hypotheses with a probability of unity was addressed. In examining sector projects a related issue was identified. At the sector project level interviewees indicated that the ideal of probability of success alone did not identify the full set of issues considered when a set of projects were treated as "outputs" for a larger more complex effort.

"Concern with probability alone would diminish the positive risk-taking features of AID efforts."

Discussions in this area indicated that while using a variety of terms the measure sought by AID officers in accepting responsibility for project purposes within their "manageable interest" was an estimate of the expected rate of return or profit, where both value and probability of success were considered. Phase II might well consider attempting further specification in this area if the system is to be applied, as it appears possible to do at more complex programming levels. The form than currently appears to describe the process that the sector project manager intuitively uses -- given an arbitrary acceptable rate of return on projects, e.g., 15% -- is sketched below:



SUCCESS PROBABILITY = EOPS probability =

$[p(\text{input to output assumptions are true})] \times [p(\text{output to purpose assumptions are true})]$
 $[p(\text{input to output hypothesis})] \times [p(\text{output to purpose hypothesis})]$

3. Planning and Non-project Assistance

Examination of activities in the non-project assistance category indicated that these activities could be expressed as projects, and that expressing them as projects indicated that non-project assistance in the form of resources had a potential for creating dependencies within the host country on the resources that AID supplied. In the following paragraphs we illustrate through project examples how this is potentially the case. The issues for non-project assistance would appear to center around the definition of project purpose and the selection of indicators. In the best case the resource element would be combined with other AID activities to allow the Agency to both meet a need and reduce the necessity for meeting that need in the same complex project effort.

In an examination of a straightforward commodity assistance effort the PCI team and the AID project informant worked together to develop a logical framework for the activity. The purpose and goal statements identified by the project informant were:

GOAL: Increased food production.
PURPOSE: Imported fertilizer used by end of calendar year.

Using these objectives, the project was found to be evaluable as the degree to which productivity had been increased. The commodity project addressed a supply problem in a sector. Given a minimal amount of baseline data, project management could determine/assess the productivity of the sector. However, implicit in this "project" was a potential for a long term dependency on imported fertilizer.*

The project goal sought improvement of the food supply over the long-term, whereas the project purpose -- fertilizer used in one year -- was clearly a short term effort. Review of interview notes and other documents on the Mission program indicated that the commodity assistance project was closely associated with other AID project efforts. By combining these efforts, the study team could define an alternative project purpose and a set of indicators that addressed both the short term need and also addressed the long term requirement for the project resource.

Fertilizer demand met without external assistance.

Use of the alternative purpose to review the commodity assistance effort indicates that in addition to evaluating performance against indicators

* It should be noted that with the example we are trying to characterize a problem rather than a project. In the real project we examined the need for imported fertilizer being eliminated.

of fertilizer consumed, the revised purpose required that evaluation also consider the trends in domestic production of fertilizer (or purchase of fertilizer with funds generated by other productive sectors) as an indicator of project success.

While discussions with the project informant indicated that the sample commodity assistance effort was not long term in nature, the study team noted that formulation of the project purpose as fertilizer used rather than fertilizer self-sufficiency carried with it the possibility that an undesirable dependency could be developed if AID supplied commodities toward a simple commodity used type of purpose for a long period. Figure VII-1 attempts to schematically display the difference in focus and indicators implied by the selection of alternative purposes.

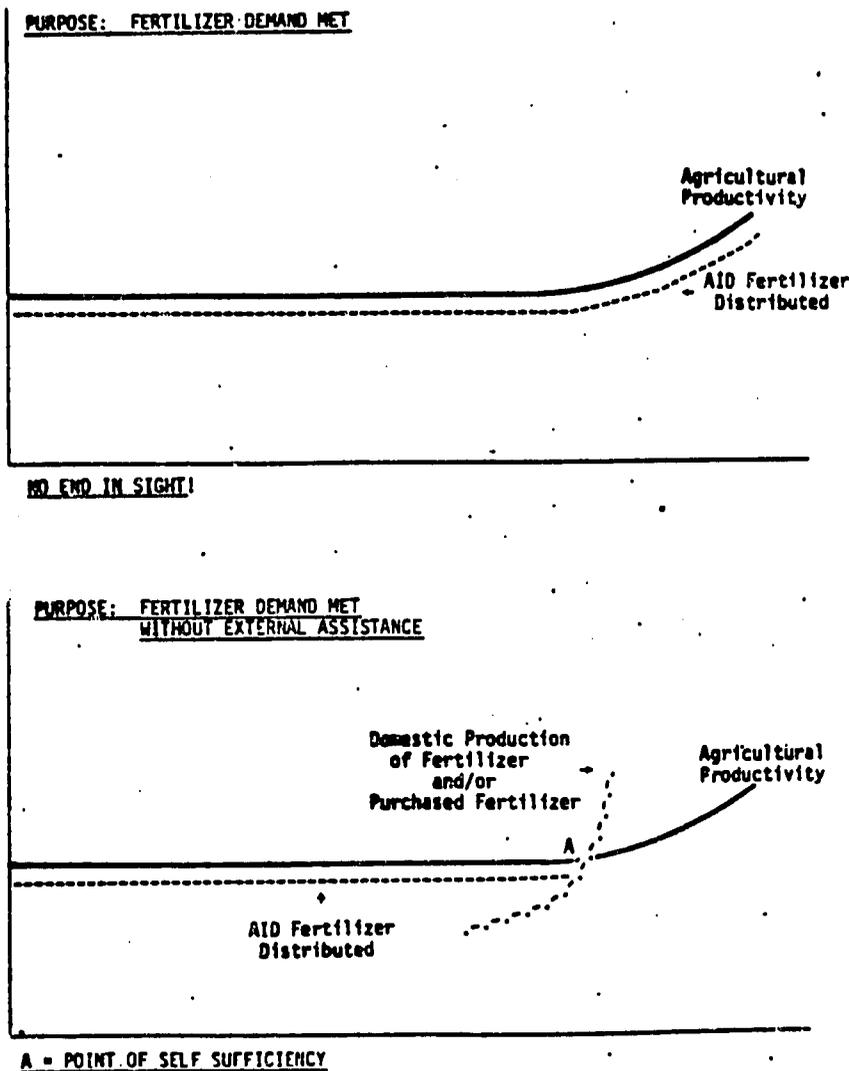
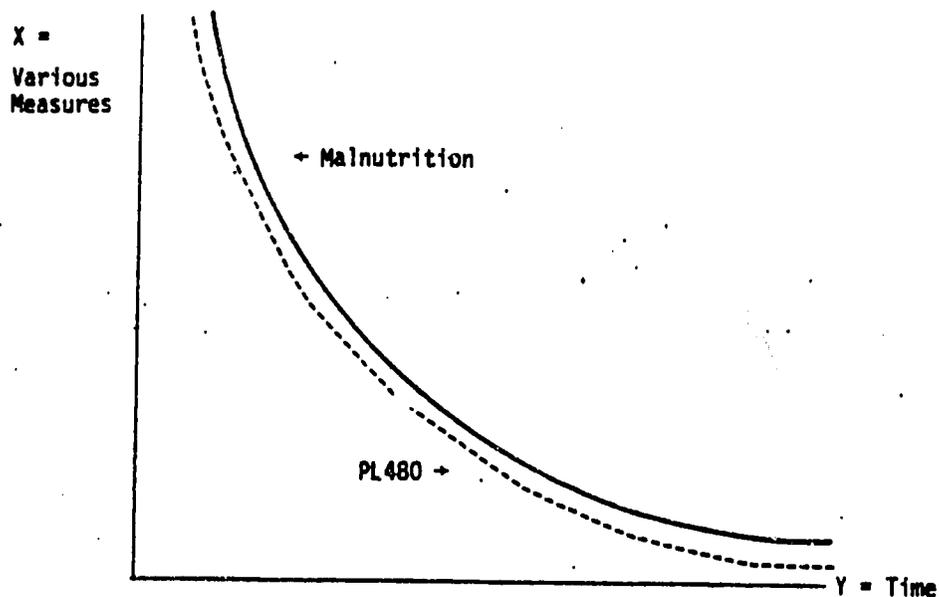


Figure VII-1:

Discussion of the end-of-project-status concept clarifies the nature of purpose in a commodity assistance effort, the focus in the project purpose changes the indicators against which success is measured.

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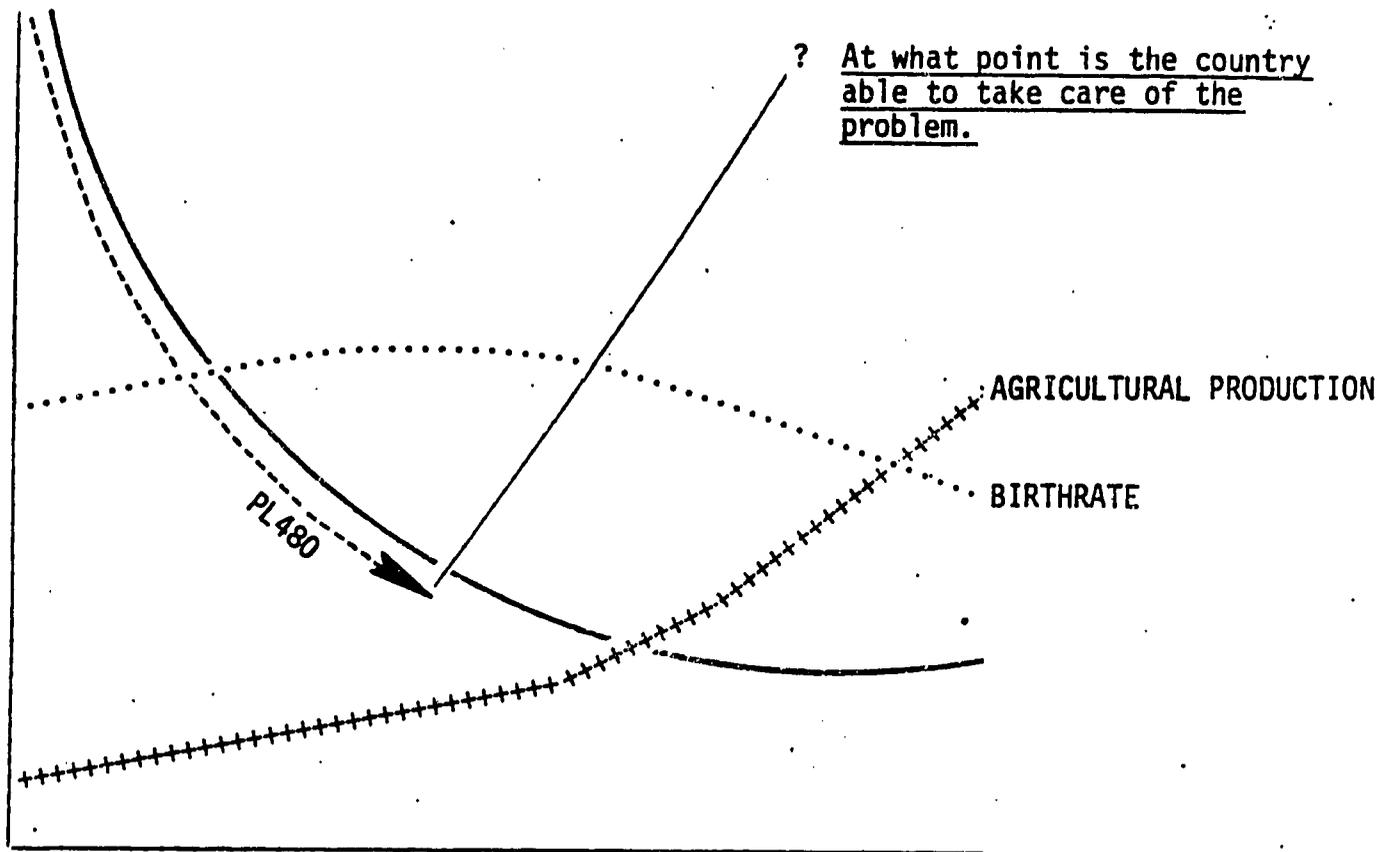
Review of other resource projects in the Agency suggested that in a number of cases there may be a need to assess project type performance for non-project assistance using multiple indicators. Thus in field support projects in the TAB general technical service area of TAB it may be important to monitor not only whether experts are being delivered through GTS, but also the degree to which local experts are being developed. In PL480 projects, the situation may be slightly more complex. In sample projects PCI reviewed the indicators of effectiveness which considered the degree to which malnutrition was being addressed:



If the Agency addressed the issue of dependency in non-project assistance, and in the PL480 project class, the Title II projects might find it was necessary is (1) monitor more indicators, e.g., agricultural production, food prices, food distribution, and population rates, etc. and (2), define a point where internal trends indicate that local efforts were underway and the program could be terminated.*

* As one member of a private voluntary organization expressed it in the January 1975 PCI training session for PVOs: "You need to know when you can stop instead of just continuing to provide food, food, food."

X =
Various
Measures



PL480: WHEN TO STOP?

- Malnutrition at "0"?
- Ag production up?
- Birth rate down?

CHAPTER EIGHT
PHASE II CONSIDERATIONS

A. FACTORS TO BE CONSIDERED IN AID DECISIONS CONCERNING PHASE II

The Phase I results are such that it is clear that there should be a Phase II. The question before us is the nature and extent of Phase II -- whether there are special considerations that should color AID's strategy or tactics for implementation.

In summary, our analysis reveals that:

Feasibility: It is both feasible and desirable to extend the evaluation system to all AID projects;

Costs: Costs of extension will vary with the method and timing of extension. The recommended approach is to:

- (1) Immediately require conformance for all new projects;
- (2) Allow 12 months to phase in "old" projects -- that is, compliance required to obligate FY 78 funds;
- (3) Accelerate staff training, and emphasize training of "key" staff who can spearhead planning and evaluation activities within their home organizations;
- (4) Develop exemplary project design by January 1976 and commence performing exemplary project evaluations during the coming 12 month period.

The largest costs will be opportunity costs of time spent by change agents per (3) above, and similar costs for those who will be helping them develop and apply their skills.

The costs of developing exemplary project designs and performing exemplary project evaluations are difficult to estimate -- particularly since those costs are more properly assignable to operational costs of planning and evaluation than to system implementation.

Non-monetary costs of implementation, if requirements for design standards are enforced, may include substantial delays in project approvals. We expect that at least some of the initial project designs and evaluation plans will fall short of minimum standards and will require rework. Either time required for rework should be built into project review schedules, or we expect delays, or design standards will de facto be set.

Benefits: It appears clear that the benefits of extending the evaluation system will include better planned projects and projects for which contribution can be more realistically assessed both a priori and post facto. Benefits should also include a clarification of management role, responsibilities, and techniques.

It is moot as to whether benefits will extend to better projects, as that is a function of the extent to which top management audits and enforces the relationship between plans and projects.

Need for Field Testing

Field tests may be required for objective reasons (we don't know how to do something) or subjective reasons (we need to convince others that our recommended way of doing something will work).

Field tests are not objectively required for system extension, either "horizontal" or "vertical."

Field tests are objectively required to prove out such concepts as:

- Ability to measure institutional viability;
- Economical capture of baseline data.

Field tests are required for subjective reasons to:

- Demonstrate that the logical framework can be used as a program design and evaluation tool;
- Benefit-incidence and other "mandates" can be treated without compromising evaluation system concepts;
- Obtain a better feel for possible resolution of "strategies issues" noted in the following.

B. STRATEGIC ISSUES

There are a number of strategic issues -- issues somewhat larger than the horizontal extension of the system itself -- that should be considered before undertaking the Phase II efforts:

1. Distinction Between the "Vertical" and the "Horizontal" System Extension

The pacing item in the effectiveness and value of the evaluation system as currently employed is the quality of program evaluation and program design. The logical framework has been already vertically extended and has been used in capital projects and for program loans where the mix of subordinate activities are what would normally be considered a project.

The Agency can require use of the current "evaluation system" for projects only and either ignore the issue of program design and program evaluation or require the use of an alternative tool. But the question remains as to what is the optimum strategy in terms of benefit to Agency and development processes. Consider the value of having a single

design tool such that national level goals are articulated clearly and orderly delegations of responsibilities made to program as well as project level management.

The question then, is the extent to which the Agency intends to have a program design process, and the relationship of that program design process to such strategy papers as the DAP. It is possible to institute a project evaluation system and perform program evaluations in an attempt to create a program design function -- with the enlightenment offered by the program evaluation providing the basis for a more rational program replanning. This was exactly the approach chosen with the implementation of the project level evaluation system -- using the objective evidence generated by the annual project evaluations to slowly squeeze the rhetoric out of project designs. However, in that process, the logical framework provided an important constraint, structuring both the evaluation and the subsequent replanning activities.

There is a school of thought, not just within the Agency but as represented by some of its contractors as well, that program design is an inherently uncertain process and cannot be approached logically. The position seems to be that although it is possible to define the necessary and sufficient conditions to achieve a project purpose, it is not possible to define the conditions necessary and sufficient to achieve a program goal. This argument, in our view, has little merit. In a world of ambitious managers, not only would the program logic be identical to the project logic, but a more aggressive program manager would be expected to accept within his manageable interest targets that are at the purpose level for his subordinate project managers.

PCI recommends that the logical framework approach to program design be tested by doing it. That a program be selected for analysis -- working down through a succession of work breakdown structures and logical frameworks to develop a fully coherent and articulated program. The results

of such a planning activity could be compared with the results of an alternative planning activity, under competitive conditions. (It would not seem unreasonable that two competitive planning approaches be used on each of three representative programs, to provide a basis for comparison.)

2. The Personnel System

The logical framework and the evaluation system that it supports have an orientation to results. The implicit bias in this system is that achieving results is better than not achieving results. This bias certainly seems shared by and large by AID personnel. However, the costs that Agency personnel are willing to incur in order to achieve results as opposed to other objectives is another question. Agency personnel do not perceive the AID personnel evaluation system as rewarding project and program success. It seems plausible that some basic rules of the road be set forth so that the personnel assessments are to some extent consistent with project and program assessments. Specifically, personnel should be rewarded based upon:

- The importance of their objectives;
- The degree of success associated with achieving those objectives (purpose and goal levels);
- Success in producing outputs;
- Economical and creative use of inputs;
- Quality of candor of report and evaluation assessments, with particularly good/high marks given to objective assessments of failed projects with which the individual has been personally identified;

Personnel evaluations should report as failures:

- Failure to produce outputs;
- Inefficient or uneconomical use of inputs;
- Failure to report on failure, at whatever level.

Mission directors have frequently indicated their interest in "having a bottom line." Both AID/W and directors of missions could be much happier in a decentralization of responsibilities if there were some objective calculations that could be performed to indicate the relative success or failure of that director's programs.

There is, of course, a bottom line to the entire mission program. That bottom line is the beneficial impact on the LDC populations being served. The value added by mission programs in terms of improved quality of life.

The problem of course, is how to objectively verify that bottom line. The job is difficult, but not impossible. Perhaps a way at the problem would be to use the congressional mandates as a way to assessing individual mission programs annually, in addition to the normal project and program assessments that are focused around the specific project and program objectives. By analogy then, the missions could have autonomy in defining the basic product lines (projects and programs) subject to certain top level constraints, and would be evaluated on a profit and loss statement (social value added minus total cost) that aggregates independent of specific product lines.

If nothing else is done in this issue of personnel evaluation, the Agency would still be well advised to establish mission profit and loss statements based on the concept of aggregated social value added (and integrated overtime) minus total program investment. The major difficulty in instituting such assessments is of course the relatively rapid turnover of mission staff. However, corporations solve the same kinds of problems that AID faces. Top level corporate personnel turn over frequently. Some geographic or functional areas are inherently more profitable than others, making it necessary to consider both the objective result of programs and the specific contribution made by the manager. Such problems can be solved to the extent necessary to improve both program and personnel evaluation procedures. It behooves the Agency to get on with the issue of objective verification, and the concept of an annual mission P&L statement is an attractive one in this regard.

3. Certification

Effective functioning of the system requires that standards be set and adhered to, for both personnel operating the system and for system products. There is some question as to how willing the Agency will be to set certification standards high enough to achieve the systems needs -- both the individuals and the projects that fail to be certified are liable to be vocally displeased.

The fundamental requirement for certifying evaluation trainers means that some members of the current evaluation community will have to undertake remedial work.

The requirement that trainees attending the basic evaluation course pass examinations testing their competence, thus certifying them as project designers or evaluators, means that some individuals won't pass these tests and will be conspicuous for having attended the training but not being certified. Those who don't expect to pass the test will avoid the training.

Setting minimum standards for design and evaluation means that the PPC evaluation function is going to be in the position of telling a bureau that it cannot initiate a project solely because the design or the evaluation design does not meet standards. Is PPC prepared to enforce such a position?