REPORT TO THE ADMINISTRATOR

# IMPROVING

# A.I.D. PROGRAM EVALUATION

October 1965

DEPARTMENT OF STATE

Agency for International Development

WASHINGTON, D.C. 20523

# IMPROVING A.I.D. PROGRAM EVALUATION

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* * *
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MEMORANDUM FOR THE ADMINISTRATOR

A year ago you asked me to review AID's methods and criteria for evaluating programs and projects with the objectives of suggesting ways to get better answers both in selecting activities and also in conducting those activities selected. Working with two colleagues, we have also functioned--along with our study efforts--as a staff resource on evaluation for the Administrator's office.

The contribution of our efforts is principally existent in papers already distributed in AID/W and to field missions with the objective of generating a greater interest in, and understanding of, evaluation, and in other staff papers, including your directives which give guidance for an increased emphasis on evaluation. The further progression of actions needs to flow in significant part from those actions already directed by you or recommended to you.

Your decision last April to increase AID emphasis on evaluation was a timely preemption of what would otherwise have been the principal recommendation of a routinely handled study project. At that time our primary attention turned to staff actions to execute the decision. I here provide a report which distills from our studies, discussions and experience, certain analysis and conclusions which I hope will further contribute to building the AID evaluation system now evolving from the measures you are instituting. The report includes the minimum of repetition from the staff papers written during the year, several of which are included in the report Supplement.

In brief, this report proposes that future AID evaluation place heavy emphasis on the positive objectives of contribution to improvement of program planning and execution. The defensive objectives of identifying and improving activities which might be targets for criticism will then become one included item in the evaluation program. The report further proposes that the increased emphasis on evaluation be achieved by changes in organization, administration, and attitudes amounting to an institutional development in AID.

I express to you my gratitude for your personal interest, support and frequent counsel which have been the key elements making possible such progress as we have made.

The staff and operating sections, and individuals therein, of AID/W have given this effort complete cooperation. We owe a particular debt to the administrative assistance of the Executive Secretariat, and to the secretarial support of Miss Nancy Webb and Miss Mabel Shepley. A major component of our plan of work was the use of the Latin American region, specifically selected country programs and missions, as case studies and also as reference points for checking analyses and conclusions. The cooperation and advice of mission chiefs, their assistants, and of the Latin American regional administrator and his assistants have been outstanding.

My principal assistant has been Mr. Peter F. Geithner. He and Dr. Glen D. Camp, Jr. brought to the project a knowledge of AID activities in the field and in Washington. On the departure of Dr. Camp from the government service in May 1965, Captain L. D. Olvey, USA, on temporary duty from the faculty at West Point, became a staff assistant. These three individuals provided a high and imaginative competence both to the research and analysis and also to the staff functions progressively undertaken.

Our research of past reports and other writings, our discussions with professionals of AID and of other agencies concerned with development, and the sum total of this year's experience undergird the conclusion that the existent inventory of ideas and concepts concerning program evaluation surpasses the state of the art of evaluation execution. Research and theoretical studies should continue. But primary emphasis, in the near term, should be action-oriented to administration, organization, climate of understanding, and the other aspects of execution, which are the essential components for successfully building and operating a comprehensive AID program evaluation system.

Finally, I have found AID program evaluation both a challenging and a very stubborn problem. "He who does not know history is fated to repeat it." There is a prima facie case for more emphasis on learning from our experience. I believe the problem is important and worthy of your continuing personal leadership.

G. A. Lincoln

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Special Advisor

REPORT

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# I. INTRODUCTION

## A. Purpose, Scope and Organization of Report

This report is intended for AID's internal use and is for the purpose of being helpful to the continuing improvement of AID program evaluation. The report is the concluding effort of approximately a year's study and observation with the objective, as defined by the Administrator, of having aid evaluation systems give better answers to two questions:

- Have we selected the right activities to undertake in the various aid-receiving countries?

- Are we conducting efficiently the activities we have selected?

These two questions have to do primarily with AID programs in the field, their planning and execution. The questions are not directly concerned with the often debated topic of the overall contribution of our global aid activities to U.S. fundamental foreign policy objectives nor the equally debated topic as to which countries should receive AID assistance. Indirectly the study is related to these two topics. Judgments on AID's overall contribution are based significantly on summations of its pluses and minuses in individual aid-receiving countries. Also, the internal operating efficiency of AID affects judgments on its contribution to overall foreign policy objectives. And an opportunity to undertake what seem to be "right activities" and to operate them efficiently, as judged by lessons from experience (evaluation), is a factor, if only one of several, in the choice of who will be aid recipients.

From the standpoint of AID administration, the answers to the two questions are of only academic interest unless those answers help to improve AID activities. The objective of this study, as defined by the Administrator, clearly implied both appraisal of ways of reaching usable conclusions based on our AID experience and, concomitantly, ways of applying this experience and these conclusions to AID projects and programs.

The report is organized in six sections and a supplement. This introductory section concludes with a discussion of the methodology of the study project. Section II, Some Dimensions of Evaluation, defines evaluation as "the examination of our experience to provide guidance which can be utilized to improve program execution and to improve program planning;" and discusses objectives, methods, limitations and basic requirements of a program evaluation system. Section III examines the AID Environment, External and Internal, to which a comprehensive evaluation must be shaped and in which it must operate.

The report discusses in Section IV four problem areas, with comments on others, believed central to Instituting an Improved Evaluation System: (1) Generating agency-wide support for evaluation; (2) communication and transmission of evaluation results; (3) organizing for evaluation at three levels - mission, region, Administrator; and (4) personnel and funding for evaluation. Section V contains our Conclusions regarding a practicable approach to improving AID program evaluation. The concluding section (VI) stresses the necessity that the Administrator continue to monitor personally the development of the evaluation system. The main body of the report is intended to stand on its own without necessary reference to the Supplement.

The Supplement consists of selected staff studies, memoranda and action papers prepared during the year's project. These papers contain a number of conclusions, implicit and explicit. They document for filing purposes the historical development of the project. The papers also support and expand on some of the information and analysis in the main body of the report. They should therefore be a useful reference for those charged with responsibility for the detailed implementation of an improved AID evaluation system.

Conclusions, suggestions and recommendations were, as developed, provided formally or informally to the AID organization. Hence, this report is in part an assembly of analyses already being given some attention and of conclusions already receiving some execution.

B. Methodology of Project

The initial steps in the project were to (a) survey past and current evaluation activities, (b) become familiar with AID methods of operation and the field environment in which AID operations go forward, and (c) seek comment and advice on evaluation from field personnel who would be the primary producers of, and customers for, any increased emphasis on evaluation.

Our historical survey, Foreign Assistance Evaluation Efforts--Past and Present, is contained in the Supplement. Generally, these efforts of AID, its predecessors, and of other agencies, have been headquarters' generated and oriented, sporadic rather than systematic, oftentimes focused more on measuring efforts than achievements, and widely disperate in objectives--ranging from "crook-catching" to abstract research. The Supplement also contains an inventory of specific evaluation activities conducted by AID/W during the past year.

The field orientation and consultation were undertaken with Latin America as the case study area. The Special Advisor spent extended periods of time with three missions (Brazil, Colombia, Guatemala) which

were recommended as providing examples of a large portion of the spectrum of AID programs and problems. Shorter periods of time were spent with the missions in Argentina, Peru, Panama, El Salvador, Honduras and Mexico.

In April the historical survey and other staff papers (see Supplement) generated as of that date served as the basis for discussion in two seminars of the Administrator and other senior AID personnel having interests and experience in evaluation. The summarized conclusions of the seminars, including the conclusion that AID should increase emphasis on evaluation, were presented by the Administrator to the Executive Staff on April 20, 1965, and accepted. These conclusions are included in Section V of this report.

The early studies pointed to the conclusion that any products of the project would not be principally derived from the recommendations of a concluding report but rather from staff work directed to executing the Administrator's decision in April to increase emphasis on evaluation as a component of AID activities coordinate with program planning and execution.

The April discussions supported the conclusion that the best chance of building a comprehensive AID evaluation system lies in starting with emphasis at the cutting edge of field operations and in building organizationally and administratively on what AID has in being. The Administrator's initial guidance message included the statement that: "I do believe that, in the case of evaluation, as in the case of programming and of implementation, the key point of responsibility in our organization is the country mission."

Having initiated action for increased evaluation emphasis at the field level, the next needed action areas were (a) organization and administrative procedures at the AID/W level; and (b) improved communication, sometimes referred to as AID's memory, and follow-up on evaluation materials. Staff studies and recommended actions which were prepared for the Administrator are included in the Supplement.

In summary, the methodology of the project provides a case study of the decision-making process in government. During the first phase, efforts were directed toward providing the Administrator with a basis for deciding whether to increase emphasis on evaluation and also for deciding, in broad outline, how best to approach execution of an affirmative decision. During the second phase of the project, of which this report is the closing action, the primary effort has been on detailed staff work to implement the affirmative decision.

The progression in the method of the study also underlines one of the principal conclusions of the year's observation and analysis: a comprehensive and effective AID evaluation system can only be built by progressive steps based on case studies and other experience, and, rather than relying on reports and similar consultant activities, depends principally on continuous staff action combined with strong leadership.

## II. SOME DIMENSIONS OF EVALUATION

Two initial steps seemed essential in the study of AID program evaluation before proceeding to conclusions on how to improve the AID evaluation system. These steps, closely related, are first the development of the key aspects of a working concept for improved evaluation, discussed in this section of the report. The second step, discussed in Section III, consists of some analysis of the AID environment in which an evaluation system has to operate and to which it must be shaped in order to be both useful and practicable.

### A. The Definitional Problem

Although evaluation is a term often used in AID, no definition thereof has been found in legislation or in AID administrative regulations. The term has been used in such a wide variety of ways that not much sense can be made in talking about improving "evaluation" until we define what we mean. The term, for instance, is applied to personnel performance ratings or "efficiency reports." (One State Department official, when told generally of this study, stated he thought it sound for the Administrator to have a senior individual visit AID missions and recommend who should be discharged.) The term is sometimes equated with "compliance control," i.e., checks for compliance with legislative and administrative requirements, such as audits and inspections. It is applied to official visits to the field by individuals or teams who survey programs and operations for a day or two or more extended periods, and who usually concentrate on finding and boring into soft spots, rather than emphasizing lessons for improvement and transfer to other missions. (One AID official characterizes such visitations as the "Aha! approach to evaluation:" the visiting team of experts arrives, talks generally and pleasantly about the program until a soft spot is suspected, shouts "Aha!", and targets thenceforth on the questionable item.) The term is used in a general way to describe any attempt to answer the question "how well are we doing?" as well as in the narrower sense of specific research projects. It is also used in the prospective, planning sense of analyzing project proposals or alternative courses of action, i.e.,. synonymous with the process of choice and the whole decision-making process.

There is nothing incorrect about any of these uses of the term, and there are undoubtedly others which are equally valid. If a wide variety of activities, also called by other names, are "evaluation," the term becomes an "omnium-gatherum" and the concept unmanageable. If there is to be a meaningful effort to improve "evaluation," therefore, AID needs a concrete and restrictive definition of the term--one consistent with both AID activities and the uses to be made of evaluation results. The following concept of evaluation, employed throughout this report, meets these requirements: Evaluation is the examination of our experience to provide guidance which can be utilized to improve program execution and to improve program planning. More specifically:

a. Evaluation is the examination (1) of actual performance in relation to specific activity plans and (2) of the significance of completed and ongoing AID activities in terms of U.S. objectives.

b. The purpose of evaluation is to help us get better answers to the questions: (1) Are we conducting AID activities as effectively as we can? (2) Are we selecting the right activities?

c. To be effective, evaluation activities must be designed to produce usable results, and must incorporate adequate provision for the feedback of these results both to improve activities that are underway and to improve the planning and execution of new activities (including the abandonment of seemingly good ideas that do not work).

The above definition stresses the need to evaluate both the performance of AID activities in terms of specific, planned achievements and also their significance in terms of U.S. objectives. Performance evaluation includes monitoring the progress of program execution and the examination of implementation methods and techniques. It also includes an assessment of results as well as of efforts. Admittedly, inefficient execution may still give gratifying results and vice versa --a situation analogous to some military (and also educational) operations where victory may occur despite serious errors, and defeat may occur despite perfect technical execution. But prompt and efficient execution certainly gives a much higher chance of success and greater insurance against failure.

In addition to measuring the performance of individual AID activities it is also necessary to appraise systematically the impact or contribution of these activities in terms of stated U.S. objectives. To use the military analogy again, tactical success does not insure strategic success. Appraisals of significance are essential if we are to improve our ability to select the "best" rather than simply "good" projects. Such appraisals, as discussed in a later subsection, can often best be carried out in a sector context.

The above definition stresses evaluation as an aid to improved program execution as much as to improved planning. This stress is consistent with the concept that AID's work pattern can be thought of as consisting of three overlapping, related, mutually supporting, but still separately identifiable, components--program planning (often included in the more indefinite term, programming); program execution (often called implementation); and program evaluation. The relationship between these components is more precisely analogous to that of the relationship of the sides of a triangle rather than the relationship of the links in a chain. There has been in AID strong emphasis on program planning, less emphasis until recently on efficiency of program execution, and even less emphasis on evaluation.

In the AID lexicon the words "program" and "programming" are not sharply defined. In the Department of Defense lexicon a program is a combination of activities directed to the same objective with specifics "as to time phasing of what is to be done and the means proposed for its accomplishment." Such a "program" follows and steps off from the broad planning stage and does not extend to more detailed execution acts. In the AID lexicon, however, programming has tended to become all those things done by the program office - which vary from mission to mission and between AID/W and the field, sometimes not including planning and sometimes including elements of program execution. In an attempt to skirt semantic pitfalls, which are one of the hazards to clarity of thinking about the complicated subject of program evaluation, this report uses "program planning" and "program execution" for the span of activity sometimes denoted by "programming" and "implementation."

The stress in the above definition on the contribution of evaluation to program execution is deliberately consistent with the still rising curve of AID's operational load and with the recent stress on prompt execution of approved programs.* This stress is also consistent with a view that efforts should be directed to giving increased emphasis to program execution, an area where AID has received significant criticism. Finally, recognizing the desire and need for examples of success, it is believed that such will be an incidental and natural spinoff of a comprehensive evaluation program with the term defined as above.

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* There are some who believe that evaluation has become more important in view of a rising operational load. Others question whether the operational load (measured qualitatively as well as quantatively) is, in fact rising, but accept that the importance of evaluation in improving execution does not depend on whether there is a rising operational load.

The above definition specifies that evaluation is the examination of our experience; in other words it involves a retrospective look at the actual operational situation and the results which can be attributed to past or ongoing activities, in contrast to the prospective estimates which are implicit in all planning decisions.

Obviously, evaluation and planning are closely related. Sound planning is the first step in effective evaluation just as evaluation of actual results is a key (but only one) ingredient in subsequent planning. But the distinction between these two components of AID's work pattern is particularly important in view of the widely held premise that the annual program planning and review process does, or can, provide a suitable mechanism for the evaluation process. This premise is open to serious question on several grounds.

At the mission level the preparation of the country assistance program is targeted on the narrow decision of what to include in the submission to headquarters. The limited time available and the scheduling involved place a substantial burden on mission personnel. These same limitations also apply to the annual review process in AID/W where they are compounded by the sheer number of programs and projects requiring attention. Therefore, although the necessity of making program decisions against a deadline may help to crystallize informal evaluative judgments, the annual program planning and review process does not, in fact, provide either the time or the climate conducive to an objective appraisal of actual experience with a view toward identifying and transferring lessons learned. Such appraisals must necessarily be made before the annual program documents are written and considered, if evaluation is to serve one of its basic purposes of making the program planning and review process more effective.

Thus, although evaluation is related to and must be designed to support, both the planning and execution of AID programs, it can be distinguished as a separate component of AID activities which requires a separate plan and administrative arrangements for its effective execution.

## B. The Political Economy of AID Evaluation

The purpose of evaluation is to improve AID program planning and execution by providing an input thereto of lessons drawn from a systematic examination of AID activities. This examination should determine whether activities have in fact proceeded according to plan and what they are accomplishing in the direction of their stated objectives (noting and appraising any progress, or lack thereof, and results not initially envisaged), why, and whether other approaches might be more fruitful.

The payoff of such evaluation activities is in the form of lessons which can be used in subsequent execution and planning decisions; the cost of such activities is measured in terms of the dollars and, possibly more important, the scarce human resources which go into evaluation activities. The design of an evaluation system therefore involves two kinds of questions: (1) determining how to get the most --in the way of usable evaluation results--from a given resource expenditure on evaluation and (2) determining the scale of the evaluation effort--how intensive an evaluation program should AID have and how much dollar and human resources is it economical to devote to this particular facet of AID activities?

Taking these questions in reverse order, how much of AID's effort should be expended on evaluation? This question cannot be answered now in a precise way. We will not know how much evaluation can contribute until there is built up a body of experience based on the results of systematic evaluation efforts over a period of time. All we know at this point is that there has not existed a comprehensive system, that efforts in the recent past have been limited and sporadic. Given this situation, there is a strong prima facie case for increasing emphasis on evaluation. Provided the increase is gradual, building up an AID evaluation system on a step-by-step basis, testing the contribution of each step and weighing it against the costs involved, no further present justification is required.

There is still the related question, however, of how to get the maximum return from a given resource expenditure on evaluation. This question leads directly to consideration of the form of the evaluation system (discussed in some detail in the next subsection) which might be prescribed by the Administrator and also to the related item of the acceptance and support of that system throughout the agency. There are alternative, somewhat overlapping, systems for improved evaluation which could be adopted, e.g., heavy emphasis on external contracts and consultants. The form of a system can be easily instituted; the choice of the system and the way of building it are important both to cost-benefit and to achieving agency-wide support.

Section IV expands on the problem of agency-wide support. The considerable skepticism in the AID organization concerning the contributions of evaluation as it has been administered thus far is one of the controlling dimensions in improving AID evaluation. A wide involvement of the organization and of personnel in any increased emphasis on evaluation will certainly increase understanding. Such participation should provide professional resources at minimum cost. The participation should progressively generate a support eroding and supplanting the current dimension of skepticism insofar as the payoff from improved evaluation justifies such a change in attitude.

Progressive, increased emphasis on evaluation will result at some point in decreasing marginal returns per unit of input of personnel and funds. Evaluation, like planning, can carry only so much of AID's burden. Hence there is a limit which will need to be identified in the future, to the resources which should be devoted to evaluation. Noting the resources now going to auditing, routine reporting and other types of activity, AID is currently well below that limit.

## C. The Basic Requirements of an Evaluation "System"

In addition to continuing emphasis by top level management and the active support of agency personnel at all levels, a successful evaluation effort in an agency of the size and complexity of AID requires a structure of organizational and administrative arrangements to provide a coherent and durable mechanism for getting the job done. We can refer to these arrangements as the evaluation system. The system provides the operational framework within which the evaluation process takes place.

The first requirement of an effective evaluation system is a clear designation at each organizational echelon of management responsibility for formulating and carrying out an evaluation program. This responsibility should logically be vested in the principal line official at each echelon in the agency's chain of command: mission director, regional administrator, and Administrator. Responsibility must also be assigned for the staff aspects of evaluation--for the overall planning, detailed monitoring and coordination of the evaluation effort. A complex process, operating within the complicated AID environment, is not going to be carried out effectively without efficient staff work. In addition, responsibility must be assigned for the conduct of each evaluation activity.

Secondly, there must be means of determining which programs and projects should be evaluated and when. The annual program reviews in the field and in AID/W, and the standing committees, quarterly reviews or other mechanisms for monitoring the execution of approved programs should contribute significantly to meeting this requirement.

Thirdly, each echelon should prepare and maintain an evaluation plan. The plan should schedule the individual evaluation activities to be undertaken during a given time period; identify the projects and programs to be evaluated and the reasons for their selection; assign specific responsibility for the conduct of each evaluation activity; prescribe the methods to be used; and indicate the estimated resources required.

Fourthly, there must be adequate provision of personnel and funding to carry out the evaluation plan.

Finally, an effective evaluation system requires systematic procedures for utilizing evaluation results. This means procedures for seeing to it that indicated changes in the projects and programs evaluated are actually made--that accepted recommendations are acted upon. It also means administrative procedures for communicating evaluation results to all points within the agency where there may be of use in current program execution and planning, and for insuring that the cumulative "lore" provided by evaluation efforts is readily available to future users. This last requirement has two parts: (1) accurate information on what has been done and is available, and (2) a convenient means whereby interested parties may have quick access to such information. The information includes both substantive knowledge gained concerning the effectiveness of various types of aid activities, and case study material on the methodology employed in conducting evaluations as precedents for subsequent evaluations.

There are, in addition to these overall requirements of an evaluation system, several considerations of particular importance to the conduct of individual evaluation activities. One consideration is the relationship between sound program planning and effective evaluation. Objectives need to be precisely stated in each program or project plan and a time-phased schedule for their achievement spelled out in sufficient detail to permit subsequent measurement of progress and results. Each program or project plan should include provision for evaluation at appropriate times and for the accumulation of pertinent data in accessible form (e.g., the maintenance of files).

The initial action in conducting each evaluation should be decisions concerning the opposite (in time) ends of the evaluation process: a determination of (a) the purpose of the evaluation--what we hope to learn and why, and (b) the organizational level and specific office to which the analysis, conclusions and recommendations are to be addressed for execution and follow-up. These two decisions are central to insuring that each evaluation activity produces results which are both usable and used.

The organizational implications of an increased AID emphasis on evaluation, the problem of communication, and the personnel and funding requirements are discussed at greater length in Section IV.

D. A Note on Some Aspects of Evaluation Methodology

The evaluation process has to take place within a framework of organizational and administrative arrangements. This report emphasizes improvement of these arrangements since they are the first steps toward improved evaluation. There have been a variety of methods and techniques for executing evaluation activities in AID (e.g., contracts and visiting teams from AID/W). These methods, with improvements, can be incorporated into any improved system. For instance, fairly simple actions, such as a more systematic building of files in anticipation of evaluation, would contribute improvement. New methods, such as the proposed emphasis on evaluation led by the mission director, can be developed.

Also under the heading of methodology, there is a requirement to seek standards and ways of analysis to be used by evaluators in reaching judgments, and in reaching those judgments in a form that makes the product usable in program planning and program execution. This subsection makes no attempt to contribute substantively to such methodology. Rather, it attempts to provide perspectives on the problem of standards and ways of analysis with the hope that the discussion will be helpful to those charged with carrying forward AID's improving evaluation system.

If it were possible to develop generalized techniques and criteria for measuring quantitatively the actual return on various types of assistance expenditure, then the problem of how to make evaluative judgments would be, in very considerable part, a problem of a methodology (and would be, incidentally, a much more tractable problem). If, on the other hand, development and its relationship to assistance are such complex phenomena that each instance of evaluation may require significantly different components of approach, i.e., if problems of interpretation are significant and even paramount, then scientific evaluation techniques are not the single answer and often not the principal tool of the evaluator. Instead the principal key to effective evaluation lies in sophisticated, objective individuals who are able to identify the appropriate scientific methods insofar as their input is likely to contribute, and are able to apply those methods, particularly methods of quantitative analysis.

The conclusion to which the following disucssion leads is stated here. Improved evaluation methods and techniques for reaching judgments are certainly possible and must be sought. But the available lore is not today the key to better evaluation. The problem of reaching usable judgments is on balance much more one of people than of formulas. The corollary conclusion is that in the near term, the best single way to devise better evaluation methods is through the accumulation and analysis of case studies of actual evaluation efforts. By "case

studies" we mean both the written reports which usually stem from an evaluation activity and also systematic interviews with the evaluators. Such interviews, much more than written reports, are likely to develop the needed indicators on organization and administrative arrangements and the staff work aspects of evaluation methodology.

AID objectives embrace social, political, economic and security phenomena. A forthcoming book on foreign assistance suggests the following categorization of objectives and hence of "success criteria:" (1) diplomatic, (2) technical and economic, and (3) political. These types of objectives (and some consider the term "development" spans an even broader scope) are clearly inter-related and at times mutually competing. They are all legitimate categories of objectives. In seeking standards and criteria, we should not refrain from admitting political goals, or even "holding operations" carried out in the hope that a more favorable situation will soon develop. But there are no universally acceptable criteria for measuring the three categories of objectives, their inter-relationships, or the impact of assistance upon them. Quantitative techniques are primarily applicable to the second category, having quite limited application to the first and the third.

There are various "indices" of political and social development and quantitative data can be used to assist the reaching of judgments in these two areas. But such data is not likely to be conclusive. There are explicit qualitative data, e.g., assistance may clearly have contributed to improving the quality of teaching and research at a university. But judgment must be invoked to combine the quantitative and qualitative data to reach evaluation conclusions.

At first glance, the field of economic phenomena is where we should be able to formulate explicit relationships among various AID inputs and the associated outputs. We can measure aspects of gross national product (providing reliable data is available - which often is not the case) and their paths over time. We can usefully attempt to relate these indices to AID activities in quantitative terms. We can adopt as a working assumption that economic development is generally complementary to other types of development and essential thereto in the long run. But the pattern of institutional change may be as, or more, important than absolute increases in GNP and economic change often triggers political and social changes of great importance. Such outcomes of economic assistance are generally beyond the purview of quantitative analysis.

It would be highly desirable to be able to provide a scientific basis for estimating the aggregate impact of alternative levels of assistance on a given country's economic development. The Adelman and Chenery study of Greece and the Jacoby study of Taiwan are examples.

which illustrate the use of economic models for this purpose. The methods employed involve the slection of a set of macro-quantities and the formulation of a set of relationships among them; the use of econometric techniques to measure these relationships and test their descriptive validity; and then the use of the model thus established to estimate in the retrospective sense what would have been the result of alternative levels of assistance or to predict for planning purposes the likely result of alternative levels of assistance in the future. Despite the wide range of opinion as to the explanatory power of these techniques, it is clear that they can serve a useful purpose and that their usefulness and reliability can only be expected to improve as time passes. The appointment within the Organization for Economic Cooperation and Development's Development Assistance Committee of an Expert Group on the Uses of Analytical Techniques is illustrative of increasing interest in the relevance of such techniques to policy questions. Hopefully continuing progress will be made in the development and application of such methods for both planning and evaluation purposes.

The expression of the results of studies of the aggregate impact of assistance in quantitative terms alone can assist our qualitative judgment as to whether the rate of growth of GNP would have been significantly affected by differing levels of aid; they cannot be properly interpreted to go much beyond that. First of all, the time span required for a successful development program for many developing economies (as distinguished from the Marshall Plan situation) is too long.

Secondly, external economic assistance is only one of a number of important factors affecting the developmental process. In many, probably most, developing countries the aspect of population control is in the long run the most significant consideration. Political stability, the quality of the host country government's economic policies, ("self-help") and the quality of the host country's human resources at the start of the assistance period are among the other non-quantifiable factors. There is no way to quantify the triggering effect of the assistance on institutional and social development. True, the increment of external assistance may be what gets the economy into "take off" but other non-quantifiable factors will be contributing. Conversely, external assistance may be contributing vitally to long term development prospects, even in the absence of short term quantifiable results. This is especially true in the case of technical assistance activities, the significance of which is particularly difficult to measure.

The analysis of intersectoral, and even more, intrasectoral allocations of assistance are affected by problems similar to those for analysis of aggregate impact in a country. In these cases the analysis is even less of a matter of scientific method and more a question of "the art of the possible." As an example, consider the difficulty of

analyzing by scientific formula the allocation, and the contribution, of assistance among school construction, teacher training, school lunches, research, etc. in the education sector.

In summary, as the evaluation activities of AID proceed, there will gradually accumulate a body of experience, in the form of case studies of actual evaluations, as to which methods yield the most fruitful results and what criteria contribute best to making the needed judgments. Such case studies and the doctrines developed therefrom by AID analysis will provide the best guidance for both step-by-step development of the evaluation system and also for personnel undertaking evaluation activities. Judgment, supported by systematic analysis of facts and considerations, will continue, for a while at least, to be more important than any evaluation manual.

Lest there be a misunderstanding, quantitative date and analysis are an essential input to improving AID evaluation activities, there is a large unexplored field for research and analysis on better ways to get and use such data, and emphasis should be placed on such data and analysis in each evaluation activity.

## E. A Method Deserving Increased Emphasis - Sector Analysis

The emphasis of AID evaluation efforts thus far has been more at the project level and the country program level, neglecting the connecting sector link. The project level is usually too small a context and the country program level often too large a context to attain an evaluation of contributions to U.S. objectives. It is at the sector level, for example, where it is useful to assess what impact projects have had, why, and quantitative inputs required to increase that impact. The sector is also the level where technical, capital, PL 480, and other types of assistance can first be placed on the table and looked at in their relationships or lack thereof, thereby also exposing overlaps and gaps in planning and operational coordination. This last sentence should be doubly underlined in building toward a better AID evaluation system. For several reasons, some undoubtedly good reasons such as organizational compartmentalization (e.g., between technical and capital assistance), there are serious difficulties and reluctances to overcome in examining our experience by sectors. But reliance on the individual project approach should be viewed with the skepticism of one experienced desk officer: "Any good program officer can relate a favorite project unerringly to the eternal verities."

The sector approach also has hopeful possibilities in the search for standards and criteria (and also for improved methods of execution) through comparative analysis of the same sectors in two or more countries.

Such analysis, using comparative rather than absolute criteria (which we generally have yet to develop) as to efforts and achievements should both provide effective evaluation of the sectors appraised and also contribute to building the body of knowledge needed for improved evaluation. Furthermore, such evaluation should help with both guidelines for size of input required to achieve significant results and also with guidelines for exploiting success.

Finally, through the lens of the sector approach, there is more liklihood of going beyond the analysis of how well AID's money is spent to identifying and appraising, at least qualitatively, the extent to which the AID effort has triggered both unanticipated spinoffs and particularly, also, changes in the local scene. Insertion of this factor of country performance (self-help) into the evaluation equation does add to the difficulties. But in the long run such inclusion is unavoidable if we are going to tackle one of the most critical issues in many countries. The sensitivity of some countries to foreign studies of local institutions and practices is recognized. It is one of the reasons for the suggestion below that recipient country personnel, where appropriate, be included in evaluation activities.

* * * * * * *

As a final point, determinations on "best" methods of execution are going to be much easier to make than determinations on selection of "best" projects and programs--so much so that it is worth recalling the aphorism that "the best is oft the enemy of the good."

## III. THE AID ENVIRONMENT - EXTERNAL AND INTERNAL

AID program planning, execution, and also evaluation have to be conducted in a very complicated environment, both internal to AID and the U.S. government framework, and also in recipient countries and in the total framework of international assistance. As an effective evaluation system evolves, that system will help in surmounting the complications of the environment.

### A. Complications from Multiple Objectives and Changing Activities

AID is an instrument of United States foreign policy. Hence, AID programs, while concerned in their execution primarily with economic and social development, need also to be viewed in the much broader and more complicated context of diplomatic, political and national security objectives. This wider context significantly affects AID planning execution and evaluation.

AID is only one of a number of organizations--private and governmental, national and international--in the development assistance business. The activities of these other organizations often complement and sometimes compete with AID activities. They can have a marked effect on the success or failure of AID's efforts.

AID economic assistance programs are divided into four general categories according to objectives and extent of AID participation: general development support, qualified development support, security-stability, and limited objectives. Evaluations activities will be conditioned by the nature of country program objectives. These objectives must be concretely defined and understood, as a starting point for effective evaluation.

AID is a temporary agency. While with predecessor agencies 18 years old, it still requires authorizing legislation from year to year for its appropriations. This temporary status, including past reorganizations and shifts in objectives, has not provided an optimum climate for generating the interest, energy and administrative arrangements for a comprehensive evaluation system--especially one which will necessarily require some years to build.

But there has been progressive stabilization in the last few years. AID is some time beyond the last reorganization. Four years have elapsed since the "turnaround" in AID policy to emphasize development, concentration of effort, loans vs. grants, etc. During these four years there has been a progressive initiation of a number of new programs (e.g., youth, nutrition, population) and of new methods, or increased emphasis on old methods, of execution (e.g., contracts). Given the time span of program planning and execution (discussed below) AID now has an inventory of post-turnaround experience adequate to undergird an evaluation program designed to improve future program planning and execution. Finally, while called "a bewildering array" by a recent management survey, there are, and have been, useful evaluation actions going forward in AID and there are an increasing number of evaluation initiatives which indicate increasing interest and confidence in the utility of this activity.

## B. Strictures on AID Activities

The Washington headquarters and all top AID personnel are, and have to be, criticism oriented. AID is consistently a favorite target for public and Congressional criticism. A few failures or inadequacies in the multitude of AID activities can, and do, generate massive criticism and capture an inordinate proportion of the time and talent of top management personnel. There are a significant number of travelling "evaluators" (perhaps more correctly called auditors or inspectors)

from government instrumentalities other than AID who look for activities vulnerable to criticism. During this year of study more of these ( and they are resourceful ) were met in the field than AID evaluators seeking lessons from experience. A retail credit manager, comments one AID mission director, expects to have some bad debts or be judged too conservative; a military commander accepts that he will suffer losses. But AID is usually judged, and investigated, ("evaluated") on an individual project rather than total program basis.

Not only the annual AID appropriations act, but also the lengthy and complicated AID authorizing legislation, involve each year a long period of preparation, questioning and criticism, and place a first priority demand on the time and staff work of key AID personnel.

AID programs and operations are conditioned by a large number of restrictions, some legislatively explicit, some implicit, e.g., a loan will not be made if other U.S. and international lending agencies wish to finance a given project, the 50-50 shipping requirement for commodities, preferences for small business, use of U.S. engineering consultants on most construction projects, support of cooperatives, etc. The check-list of statutory criteria for Alliance for Progress loans, for instance, contains 41 items. Many of these restrictions and stipulations, viewed separately, are likely to seem defensible; together, they significantly restrict administrative efficiency.

In addition, AID is undertaking a unique effort in support of U.S. policy objectives. That effort consists of many disparate activities, world-wide, including influencing change in fundamental institutions, but with few precedents on which to lean. Hence, AID has placed many checks and imposed a considerable centralization on itself.

The sum total of stipulations and restrictions, explicit and implicit, imposed and self-impose, combined with the defensive steps generated by outside criticism have contributed to AID becoming a somewhat ponderous activity administratively. While the subject of this study is program evaluation not AID administration, the success of programs often turns on the latter. More effective evaluation should identify needed administrative changes which will contribute in turn to improved program execution and planning.

## C. AID Organization and Pattern of Operation

The agency is organized in three principal echelons from the standpoint of management control--48 field missions (there are some 70 country programs), four geographic regional bureaus (including the

Latin American bureau which is integrated with its State Department counterpart), and the Office of the Administrator. There are program and management staff divisions serving the Office of the Administrator. These staff divisions are two echelons (mission and regional bureau) removed from field operations and from the principal genesis of programs. There is an obvious administrative problem in bringing their resources to bear on routine program planning and execution, and doing so without causing unbearable administrative lags and other complications. (This situation is somewhat mitigated by the presence of professional specialists in the regional offices.) Association of the Administrator's staff divisions with evaluation in their respective areas of interest, where promptness and scheduling are not so controlling, may be easier. But the three organizational foci where management control meets responsibility for both program planning and execution are the mission chief, the regional administrator and the Administrator. Consistent with the definition of the purpose of evaluation, responsibility for that activity should logically be located at the same foci as planning and execution.

AID has a major administrative and very obstinate problem in transferring experience (a subject discussed at greater length in Section IV) within its large and widely scattered organization. AID's "memory" ( collection, analysis, storage, retrieval, and transmission of experience ) is poor and the agency tends to be in compartments as far as transfer of lessons from experience is concerned. One of the most puzzling aspects of AID administration is the large number of reports and studies, quite a few with evaluatory items, which flow to AID/W from the field and are also generated in AID/W, but which do not seem to be completely utilized, or even stored so they can be found readily.

The bulk of AID's operations are by country. Their fundamental aims include improving the institutional and attitudinal framework for development. The internal environment of participating countries is, therefore, a most important aspect. AID must work with the local government and leadership groups, doubly so because self-help is one of the reasoned objectives of AID operations which look to working AID out of a job in each specific AID project and program. Standards and methods of AID operations are conditioned by those of the recipient country. The local government and leadership may have different scales of values than the U.S. and different judgments as to what to do and how to do it. Success in project and program is therefore dependent on many local factors and activities other than those of AID. For example, Professor Jacoby in evaluating the Taiwan development program identifies six factors, all essential to the success achieved: (1) native talents and industry of the Taiwanese people, (2) the infrastructure and human resources foundation laid by Japan, (3) the professional and administrative abilities and drives brought by the Mainland Chinese immigrants,

(4) stable government, (5) economic policies favorable to private enterprise, and (6) U.S. aid.

A principal pillar in constructing AID programs is the thesis that each country is asking the United States for assistance to achieve certain of its objectives. Hence assistance flows to activities where U.S. and recipient country objectives overlap. (The U.S. and the recipient country may, however, be promoting the same activity for different objectives--one AID field supervisor comments that agreements reached are sometimes analogous to a bishop and a prostitute agreeing on opposing free love). But even in the area of shared objectives, priorities may differ with consequent effect on self-help by the recipient country--if, for instance, the U.S. first priority AID project receives only secondary emphasis from the recipient government. To underline the problem of objectives and priorities with an illustration, population control is a first priority program from the standpoint of achieving development in many countries, yet in many of those same countries it receives little, even a negative, priority. AID program planning is, in part, a search for the "best" activities within the limit of those activities the requesting country wants, and is judged able, to undertake.

Underdeveloped countries are very short on managerial skills, both in and out of government. The "best" prospective projects may sometimes be impractical to plan or to execute because of ineffective local ministries, inability (or unwillingness) of the local government to make needed institutional changes, etc. The educational sector, in some countries, is a particularly striking example of this point. Governments of underdeveloped countries are often highly developed in bureaucracy with its consequent frustrations and delays.

AID activities are generally "projectized," with projects grouped by goals or sectors into country programs. A project may be small measured in money or personnel, e.g., artificial insemination of cattle in Salvador. It may be large, e.g., school construction in Brazil. There are over 2,000 dollar projects (loan and grant) in being worldwide. There are additional local currency projects. Appraisal of a single "project" may not give meaningful judgments from the standpoint of contribution to U.S. objectives--unless viewed in a larger context such as a sector (education, agriculture, private enterprise, etc.). Furthermore, the number of projects is so large that even their selective evaluation has to be built into the systematic operations of AID rather than left solely to the intermittent attention of evaluators external to the line chain of command.

## D. The Time Factor in Relation to AID's Ongoing and Future Activities

The time span of projects and of country programs is pertinent to design of an improved AID evaluation system. While no scientific data is available, an average of about two years seems a reasonable estimate from genesis of a project within a country mission, its submission to AID/W, any necessary Congressional action, review of the project again by AID/W, negotiations and arrangements with the local government, and the arrival of personnel and other resources needed to start field operation. There are no scientific data available on average length of projects either, but once underway three years seems a most conservative estimate, or an average of at least five years from genesis to completion. (Program loans may have a shorter time span.)

The foregoing admittedly "ball-park" figures give an adequate basis for some further points. Generally a project, and almost certainly a country program, will go forward during the tenure of at least two U.S. administrations; two AID administrators, regional administrators, desk officers, mission directors, mission program officers and even local project supervisors. On the side of the assisted country there are likely to be at least two administrations and several changes in responsible ministers.

The distribution of projects--new, ongoing, completed--is an important aspect of AID's internal environment. Funds--appropriated, committed, expended--are another important aspect: the average rate of expenditure over the last three years has been $1.985 billion, of commitments $2.045 billion, currently about 2/3rds in loans and the remainder grants. An analysis of these two aspects--distribution of projects and funds--indicates that the "mix" of requirements placed on AID as among program planning of new activities, modification of ongoing activities and program execution may have been changing, significantly so over the past four years.

The level of annual commitments has remained relatively constant, while, since the execution of a loan or grant project reasonably requires more than a year, the cumulative burden of supervising ongoing projects has increased. (The pipeline for capital projects, for instance, has increased from $1.3 billion in FY 1961 to $2.2 billion in FY 1965 with a marked shift from grant-funded to loan-funded capital projects.) In the case of technical assistance, an increasing proportion of the agency's effort seems to be devoted to the programming of funds to continue activities already underway and to their execution as compared to the planning of new activities. These trends, if they do in fact exist, suggest that the load of execution is increasing. They support the recommendation of a recent management survey that AID increase its emphasis on operating efficiency, and also suggest initial emphasis on evaluation activities contributing to improved program execution.

AID has, and will continue to have, only limited ability to provide personnel to start new projects quickly or to shift personnel rapidly with the termination of a project on short notice. Even contract operations usually require considerable time to get personnel on the ground.

The AID milieu includes a wide variety of vested interests, many of them influential in both planning and execution. Once a project is underway, a ministry or other agency of the associated government usually has such an interest. Some vested interests are engraved in U.S. law; some have representatives working to influence Congress and the Executive Branch. Contractors may acquire an interest in continuation of a project and in the adoption of similar projects. This point is particularly applicable to government agencies (and possibly even universities) which have set up special staff divisions and added professional personnel to engage in AID activities. There are also vested interests within the complex AID organization, both staff sections and individuals. In the field, job stability and even continued employment turn on the continuing content of the program--another type of vested interest.

The foregoing paragraph is not to be interpreted as describing a situation with universally adverse effects. Some effects are adverse, some helpful. But it is well to note that the situation exists, even if it is a normal one in the conduct of human affairs and not basically different from other U.S. government operations. The vested interest and personnel elements need to be considered in making evaluative judgments on project selection and pattern of operations.

## E. Attitudes and Priorities Concerning Evaluation

AID personnel and organizational units have been interested in evaluation in recent years, but only after other matters get done and in the context of their particular specialty--e.g., programmers have assumed it gets done incident to their job, the management people have hoped to see it solved by management techniques; the comptrollers have sometimes equated evaluation with compliance control; the researchers have stopped short of tackling the aspect of utilization of evaluation results. Evaluation has been little used as a vehicle to involve a third party in issues over the continuation, modification or termination of a project or program. This study has not, however, found any explicit charge to undertake evaluation in legislation or in AID administrative regulations defining the functions of components of the organization--except in the case of the Operations Evaluation Staff. Hence the useful but piecemeal current evaluation efforts generated by scattered professional initiatives within the agency are to be commended.

AID has about 15,100 direct-hire employees, of which 8270 are foreign nationals, and 6830 U.S. citizens. Of the latter, approximately 3560 are in the field and 3270 in AID/W. As indicated by the inventory of AID/W evaluation activities (see Supplement), a number of these are in the evaluation business part time. But, in contrast to the more than 1500 in comptrolling activities including 150 professional auditors engaged agency-wide in compliance control (a requirement generated in part by the scope of contract activities), there are only a handful of professional officers engaged full time on evaluation matters.

Each of the various echelons and subdivisions of AID has a finite inventory of interest and of man hours to devote to AID activities. Under one of the primary laws of administration, "the squeaking wheel gets the grease." There are three loudly squeaking wheels in AID field activities: all matters having to do with compliance control, the highly developed and institutionalized program planning process, and the reports required in addition to those for the previous two activities. Any remaining inventory of interest and time in field missions is available for program execution and for evaluation. Operational efficiency can be monitored somewhat and a reporting system is now being designed to do that; evaluation can be checked on much less. Hence, evaluation is going to tend to receive lower priority and will go forward only to the extent that administrators and their immediate assistants believe that the activity helps them in their jobs and that evaluation is receiving the personal impetus of superiors.

AID evaluation is not behind the pace of other agencies working in international development. These other agencies are turning increasingly to evaluation as a tool to assist in their activities. AID, however, has a more complicated evaluation problem because AID has more diversified assets to bring to bear on assistance requirements than other agencies operating in the field--and hence should be more effective. This arsenal of means (loans, grants, guarantees, PL 480, etc.) poses a complicated problem in appraising and reaching conclusions on the sum total of these instruments utilized to affect the development of a particular sector or of a country as a whole.

## F. A Summary Point on AID's Environment

AID evaluation is a tool as yet relatively unshaped and untried. It must operate within a very complicated environment. The range of choice of projects and means of executing them is limited--by political considerations which weigh heavily in the AID emphasis given a particular country; by the momentum and inertia of projects in being; by the explicit and implicit legislative provisions as to what AID will do and how; by the interests and capabilities of recipient governments;

by the limitations of personnel and other resources available to AID; and by other parameters. The availability of dollars is no more a controlling element than these facts, even though the general need for much more development is clearly apparent.

There is no opposition to the general point that AID's ability to operate in this complicated environment can be improved by reviewing what has been done, and what is being done, to try to learn from experience. The problem, discussed in the remainder of this report, is how best to execute that general judgment.

## IV. INSTITUTING AN IMPROVED AID EVALUATION SYSTEM: SOME SPECIFIC PROBLEM AREAS

The following subsections discuss four problem areas believed most important initially in establishing a comprehensive AID evaluation system and list some other areas needing attention now or soon. These problem areas have been alluded to in preceeding sections of the report. No one area is entirely separable from the others; efforts to deal with one will usually impinge on several. Reference is made in the discussion to actions completed or underway, as well as to future actions which are needed. Hence the discussion implicitly accepts some conclusions not stated explicitly until the following section.

### A. Generating Agency-wide Support for Evaluation

The approach to improving AID program evaluation developed in this report does not envisage either the creation of a separate organizational hierarchy for the execution of all evaluation activities or the submersion of evaluation in some other ongoing activity. Instead the approach calls for the involvement of all echelons of the agency in the evaluation process.

There is considerable skepticism among AID personnel regarding the usefulness of evaluation--skepticism stemming in part from the lack of a generally accepted, limited definition of evaluation; in part from an historical tendency to equate evaluation with fault-finding; in part because of the remote relationship in the past between evaluation and program planning and execution; in part from the belief that AID's limited resources can be allocated more profitably to other activities; and in part from an attitude analogous to that of the farmer who declined to buy a book on how to farm twice as well as he was then farming because he "wasn't doing half as well as he already knew how to do!"

A holder of these skeptical views, while asserting the adequacy of the experience and seat of the pants judgment of the mission director and program office, is likely at the same time to deplore the compartmentalization of AID, the inadequacies in transfer of experience, and the detailed checking and delays in the centralized approval chain to Washington and back. A better evaluation system will help in the long run on the points deplored.

The institution of an improved evaluation system requires the development of a more solid consensus that evaluation helps. This consensus must be actively sought through a sustained educational program, accompanied by clear and continuing evidence of top management interest and support, and most important, wide involvement of AID personnel.

A number of recent actions should assist in generating within the agency a greater interest in, and understanding of, evaluation as a useful management tool. The term "evaluation" has been defined with specific reference to AID activities and the uses to be made of evaluation results. A general approach to increasing emphasis on evaluation has been developed and accepted by top agency leadership. Staff papers have been circulated throughout the agency. Field and headquarters personnel have been encouraged to contribute to the study in informal discussions, meetings, and conferences. Several mission directors have initiated evaluation efforts contributing experience useful to the study.

An airgram, reproduced in the Supplement, has been sent by the Administrator to all mission directors defining evaluation, setting forth certain principles considered to be generally valid and immediately applicable, and asking each mission director to give his personal attention to an increased emphasis on evaluation. This airgram did not prescribe any set pattern for evaluation at the mission level. Instead, it encouraged the individual missions to institute evaluation systems adapted to their individual circumstances. As a follow-up (see Supplement) to the Administrator's initial message, selected missions have been asked for a report on how they are proceeding. Their replies should provide a basis for defining more concretely an agency-wide system.

The reaction, particularly in the field, to the suggested increase in emphasis on evaluation has varied from strong support to outright skepticism, but the field is unanimous in the view that, "If there is going to be more evaluation, let us do it." This view underlies the importance of mission level responsibility for evaluation: the field is more likely to develop, accept and utilize an evaluation system if made principally responsible therefor.

The effort to generate wider interest and understanding should be continued and expanded as the agency proceeds with the task of

instituting the organizational and administrative forms of a comprehensive evaluation system. The problem is closely related to that of transfer of experience discussed below--such techniques apply as circulation of staff studies, case studies and other informational material; and the inclusion of evaluation on the agendas of orientation programs, meetings and seminars. Consideration should also be given to manual orders giving policy guidance on evaluation, and reference to evaluation in program guidance messages. A major responsibility of the staff resources, recommended below, for evaluation at the Administrator and regional bureau levels will be to stimulate understanding and support. The best stimuli include the use and follow-up of successful evaluation activities with wide commendation of the practitioners.

## B. The Problem of Communication: Transfer of Experience and Dissemination of Information in a Usable Form

Although there are complaints about centralization, AID is organized and administered in a matrix of compartments: in program and administration, in field and in Washington, by geography and by function. This situation is normal and necessary for such a complexity of diverse activities. Other government agencies (e.g., the military) have, in varying degrees, similar complexities and similar problems in transferring and utilizing the lessons of experience. But they have worked at these problems over a long period of time with professional personnel of assured tenure in a comparatively stable organization with fairly consistent programs and objectives, and as "permanent" rather than "temporary" agencies.

There are a variety of methods for transferring experience. The most effective and usual method in AID seems to be by field transfer of experienced individuals and by application of the accumulated wisdom of AID/W staff officers to program planning and execution proposals. At the AID/W level this method presumes vast breadth of knowledge concerning the milieu of different countries and may contribute to delays in acting on field requests--a principal field complaint concerning AID administration. Also, only a fractional proportion of AID/W personnel have had field experience--less than 20 per cent according to one estimate.

Other methods of transferring experience include conferences, seminars, exchange visits; circulation of case studies and "think pieces;" conversions of lessons learned into policy directives--a method requiring staff work and often research and analysis; and a training or schooling system--a method for AID's possible consideration at a later stage.

AID's transfer problems are both lateral and vertical: lateral among country missions, regions and staff divisions; vertical between field and headquarters. The country mission is the organizational component where identification, analysis and internal utilization of experience is least likely to be handicapped by the problem of dissemination...one of several reasons for placing initial emphasis on mission level evaluation. Beyond the country concerned, the first and critical priority is utilization, and hence transfer, of evaluation experience across missions. Second, but still high, priority should be given to the communication of evaluation results to AID/W and their utilization in the program review and approval process.

Parenthetically, care needs to be exercised in disseminating experience without analysis. The seemingly successful (or unsuccessful) approach must be viewed in the local context. Analysis may clearly indicate inapplicability to another environment or needed changes to make the experience transfer successfully.

The problem of AID's "memory" has been long belabored. There almost always seem to be one or more studies of the problem underway. Every observer takes the position that significant improvement is needed. The limited progress made to date suggests that either we do not believe that the gains from improvement will be worth the time and effort required or that the problem is hopelessly intractable, or both.

Because of other studies underway, only secondary attention has been given to the memory problem during this study. However, a number of related suggestions have been made, including (a) associating the preparation of existing reports with the evaluation process; (b) instituting a system for cataloguing, filing and disseminating evaluation information and reports--a system less ambitious than those envisaged by the studies of foreign affairs information management now underway, but one which might be instituted immediately; (c) elimination of certain reports, if no system can soon be devised for using them--capturing the released time and talent for evaluation activities.

In addition to any progress along the lines of the above recommendations, the creation of staff resources for evaluation should facilitate the transfer and utilization of evaluation experience. These resources will be seized with the problem and apply their talents thereto. They will need, for example, to analyze the replies to the Administrator's airgram asking field missions to report on steps taken to increase emphasis on evaluation. They should also consider analyzing the evaluation plans prepared by each operating echelon. Such analysis should prove helpful in pointing the way to further improvements in the evaluation system.

We do not recommend any additional evaluation reporting requirements until AID devises ways of systematically analyzing and disseminating evaluation results.

## C. Organizational Aspects at Three Levels - Mission, Regional, Administrator

Certain basic principles regarding the design of a comprehensive program evaluation system appear repeatedly in this report. They include that:

- Evaluation should be considered a separate component of AID's work pattern distinct from, but related to, and designed to support, the planning and execution of AID programs.

- Responsibility for evaluation should be clearly established and administrative procedures designed to insure that evaluation is systematically carried out and the results utilized.

- Evaluations should be organized and conducted in such a way as to involve the management and operating elements of the organization. All responsibility should not be delegated to any one office; nor should evaluation be dissolved into some other activity.

These principles are directly relevant to a consideration of the organizational implications of an increased emphasis on evaluation. They support the conclusion that management responsibility for evaluation must be vested in the principal line officer at each echelon in the chain of command--Administrator, regional administrator, mission director. These principles also make clear that we do not propose the creation of a separate organizational hierarchy for the actual conduct of all evaluation activities.

There are within the agency a number of organizational units which have undertaken, and should continue to undertake, evaluation activities. At the Administrator's level, these include: (a) the central program staff offices (e.g., Program Coordination, Technical Cooperation and Research, Development Finance and Private Enterprise), which engage in evaluations as an adjunct to their policy formulation and guidance responsibilities; (b) the 5-man Operations Evaluation Staff, reporting to the Deputy Administrator, which conducts periodic performance evaluations in the field and AID/W; and (c) within Technical Cooperation and

Research, the Office of Research and Analysis, which administers centrally-funded "evaluation research" contracts and which has had a continuing interest in agency evaluation. Except in the case of the Operations Evaluation Staff, assignment of responsibility for evaluation activities is implicit rather than explicit in AID manual orders.

Offices within the regional bureaus as well as individual missions also undertake a variety of evaluation activities, both periodic and ad hoc.

There is not, however, at any of the three principal organizational echelons a central staff focus for the planning, coordination and review of the evaluation activities undertaken. Without such a focal point there can be no assurance that evaluation activities are structured according to a plan, reviewed in advance against the priority needs of the mission, regional bureaus or the agency as a whole, and conducted in such a way that the results are used with broadest possible effect.

To give such assurance there is a need to provide the principal line officers at each echelon, who must bear management responsibility for evaluation, with a resource responsible for the staff aspects of evaluation.

At the Administrator's level the functions of the staff resource would include to: advise the Administrator on organization, administration, standards, policies and procedures for a comprehensive, agency-wide evaluation system; advise and assist the staff resources at the regional level in planning and instituting complimentary and interlocking systems within the regional bureaus; assist the central program staffs in identifying areas requiring more systematic evaluation, e.g., inter-regional comparisons of similar projects or analyses in depth of particular sector programs; advice to the Administrator on a system for transfer of evaluation results and for needed research and analysis on evaluation methods; keep informed of evaluation activities completed, underway or planned with a view to insuring that the results of these activities are effectively communicated throughout the agency.

The staff resources at the regional and mission levels would have comparable responsibilities, appropriate to these levels.

Because of the differing organizational and administrative arrangements at each echelon, the specific organizational location for the staff resource might vary. In each case, however, the unit or individual responsible for the staff aspects of evaluation should be located near, and have direct access to, the principal line officer; should have cognizance of mutually-supporting types of assistance and

alternative techniques for project execution; and should be action-oriented, and dedicated to the job at hand.

The organizational implications at the Administrator and regional bureau levels of an increased emphasis on evaluation were the the subject of two memoranda to the Administrator (see Supplement). In his initial message to the field on evaluation at the mission level, the Administrator stated: "Responsibility and procedures for evaluation should be clearly established within each mission and the effort should be organized so as to involve the management and operating elements of the organization in the evaluation process, and so as to avoid delegating all evaluation responsibility to any one office or dissolving it into some other activity. For these reasons management responsibility should be assumed by the mission director or his deputy."

D. Personnel - Number and Competence - and Funding

In addition to staff resources for evaluation discussed in the preceeding subsection, a comprehensive evaluation system must also include adequate provision of personnel and funding for the conduct of evaluation activities.

Personnel. Past evaluation activities conducted by AID and its predecessor agencies have utilized personnel from a variety of sources--from the regional bureaus and central staff offices in AID/W, from individual missions, from other government agencies, from the recipient governments, and from private organizations. Evaluation activities have also been performed by outside institutions on a contract basis.

As to whether competent personnel are available within the agency and can be spared for evaluation purposes, several problems have been raised. One is that otherwise technically competent personnel in the field already have a full workload. This is in essence a matter of objectives and priorities. It might be possible, however, to obtain personnel resources for evaluation from such sources as: the shift in the mix of AID's work pattern, mentioned in Section III; evaluation activities already underway; further progress in the agency's policy of decentralization to the field; elimination of certain reports;*

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* A draft contract study on foreign affairs information management assaults the reports proliferation problem and recommends the elimination of 42 field reports on technical assistance activities. (The study did not cover other types of assistance.)

more discipline in the dispatch of action requests to the field; and by making AID/W personnel available to help with mission evaluation. As neither the time-saving nor the time-consuming aspects of an increased emphasis on evaluation can be accurately estimated in advance, these aspects can only be determined through a step-by-step process of experimentation.

There is the related problem of bias and lack of objectivity of AID personnel otherwise available to participate in evaluation activities. Among available qualified personnel, AID should seek the best compromise between "objectivity" on the one hand, and familiarity with the functional field and with the project or program to be evaluated, on the other hand. No formula promises perfection. In the field, mission directors and their deputies are more likely to be objective than their subordinates--sufficiently so to leaven effectively any bias on the part of technicians or their division chiefs. Personnel from other missions can help in conducting evaluation activities and also with cross-mission communication of evaluation results.

The extent of reliance on AID/W personnel for evaluation must be viewed in the light of their limited availability, the limited proportion who have had field experience, and the fact that if specialized in the area to be evaluated they may also have a professional bias or be personally involved. Reliance on AID/W personnel may also limit undesirably the involvement of local mission personnel, including the managerial level.

Reliance on participating agencies or private contractors to evaluation programs or projects for which they are the executing agent --a practice observed in at least two instances--is both unsound and unnecessary. In addition to the biases referred to above, the contractor usually has a long-term financial and personnel interest in perpetuating the same or similar activities. As the executing agent, the contractor should be continually appraising his own performance as an integral part of his contract responsibilities. But such appraisals while related to, should not be considered a substitute for, AID evaluation.

The use of outside consultants and contractors for evaluation purposes may introduce a bias stemming from their professional specialties. More important, outside consultants and contractors often have difficulty attaining cognizance of such items as the history of the project (in part because of paucity of files), the local environment, and the progression of policy thinking and direction from Washington. They are likely to have particular difficulty in shaping their efforts to specific AID needs. For while conclusions as to whether something is, or is not, being accomplished can usually be reached with relative ease, conclusions as to why, and the shaping of these conclusions so as to further AID program planning and execution, are much more difficult tasks. As an illustration, one highly reputable and experienced

individual heading a contract group comments: "I have been perplexed by the difficulties of an outside group such as ours to relate effectively to AID. We were able to gather a great deal of information in spite of limitations of time and staff, but somehow I feel that we have not been able to communicate in a way that will be fully useful to AID."

Evaluation contracts need to be prepared with particular care, monitored closely by informed individuals in AID, and carried out, where practicable, with the working assistance of professional AID personnel--as in the case of the Jacoby evaluation of the Taiwan program. Finally, AID should seek to build further its pool of experienced evaluators, thereby providing experienced consultants and institutions to mitigate the problems just outlined.

Field missions have on occasion involved officials from the participating government in joint evaluations of particular programs or projects. The joint AID/THAI evaluation of the Expanded Rural Development project in Northeast Thailand is a prominent example. Those advocating this type of arrangement stress the educational and self-help aspects of host country involvement, and the opportunity joint evaluations provide to enhance project effectiveness. Others argue against the practice by citing the problems of divided responsibility, differing objectives and priorities (discussed in Section III), the inability or unwillingness of some host government officials to be constructively critical of their superiors, and the opening joint evaluations afford the recipient country to press for more assistance. Obviously, the desirability of participation by host government personnel must be decided on a case-by-case basis.

In summary, there are a variety of sources from which to draw the personnel needed to undertake evaluation activities. The number and competence required for any given evaluation will depend on such factors as the objectives sought, the depth and sophistication of analysis required, and the nature of the program or project to be evaluated. These requirements can only be determined on a case-by-case basis. However, as a general rule, AID should seek maximum involvement of operating personnel in the evaluation process, and should look to its principal line officials and to consultants, including "generalists," to offset the presumed bias of those specialized or directly involved in the field of activity concerned. AID might also provide in selected project agreements for joint evaluations using policy-level personnel from the host government.

Guidance to this effect for mission level evaluation has already been provided by the Administrator in his initial message to the field calling for an increased emphasis on evaluation:

"In conducting mission level evaluations consideration should be given to the use of consultants from other missions and government agencies, AID/W and other sources, and, when appropriate, host country nationals. This consideration should not be limited to specialists in the activity under review. A generalist may be helpful and may, at a minimum, contribute to the assurance of objectivity."

The fulfillment of personnel requirements is a matter for detailed staff action.

Funding. As in the case of personnel, the funds required to carry out the evaluation activities envisaged in this report, cannot be estimated in advance. Clearly, some additional funds will be needed to cover the costs of travel, per diem, consultants' fees and contract services, to the extent evaluation activities involve other than local AID personnel. These funds may not be significantly greater than those now being expended for evaluation purposes. These funds must, however, come out of either current allotments, which means giving a sufficient priority to evaluation, or out of any unallocated balances held centrally in AID/W. Presumably missions and other organizational units undertaking evaluation activities will exercise initiative in giving evaluation the necessary priority and in requesting additional funds, where available funds are insufficient to execute policy directives on evaluation. Staff supervision will be needed to check that increased emphasis on evaluation is not impeded by any administrative aspect of funding which can reasonably be surmounted.

## E. Other Problem Areas

There are a number of problems, in addition to those already discussed, which now exist or are likely to arise in the future. As progress is made on what seem to be the four central problem areas (generating agency-wide support for evaluation, transfer and communication of evaluation results, organizing for evaluation, and personnel and funding for evaluation) these other problems should progressively erode.

### 1. Involvement of AID staff divisions in the evaluation program

The step-by-step approach recommended, and already initiated by the Administrator, has begun with emphasis at the mission director level and a proposed chain of command responsibility for evaluation.

The concept extends, however, to the judgment that, as the program gets underway, the participation of the staff divisions, with their varied inventory of resources will fall in line. These staff divisions, as consumers of evaluation materials pertinent to their responsibilities provide a demand pull on evaluation activities; their experts are part of the pool of knowledgeable professionals available to help with evaluation; and the divisions themselves may be the best instruments for sectoral evaluation, particularly that which is inter-regional.

2. Programs involving cooperating inputs by AID and other U. S. agencies

The U.S. is conducting complicated activities in many countries. These are all presumably under the control of the Ambassador and coordinated through the country team. In fact, each of these activities is generally subject to strong policy control and operational supervision from the parent agency at Washington level, not always coordinated inter-departmentally at that level, and not always possible to coordinate sensibly there because of the disparate situations among different countries. The U.S. has now been in the business long enough so that joint analysis of inter-departmental programs, with departmental prejudices leavened by inclusion of sophisticated consultants, is indicated. As examples, the counterinsurgency - civic action program, and perhaps some aspects of AID-Peace Corps cooperation, are due for a critical look from above the country team level. These two examples are selected because of their importance to long-term U.S. interests and because, while the programs have been in existence long enough to provide materials for an evaluation effort, they are still new enough so that there is not unanimity of view concerning the meaning of policy when execution is involved. The evaluation process might, therefore, contribute significantly.

3. Sector and country programs to which there are multiple inputs from both AID and non-U.S. government sources

There are already some efforts underway to coordinate program planning under these circumstances. Combined evaluation efforts have yet to evolve. As mentioned in a previous section, other international assistance agencies such as the foundations and agencies of the UN, are indicating an increased interest in evaluation. At least two other points are pertinent. In Section II we stressed sector analysis as a method of approach to evaluation warranting greater attention. Such analysis requires consideration of all inputs into the sector and so suggests the possibility of cooperative evaluation efforts with the contributors of the other inputs, both U.S. and non-U.S. As a second

point, effective evaluation and its utilization turns materially on taking the time of a limited number of key personnel. These include mission directors, their principal assistants, and also the top personnel of the interested local ministries. Travelling researchers and evaluators from within and without AID often overlap in their investigations and take a significant amount of the time of these key people. These observations suggest (a) that AID may wish to review its coordination mechanisms for the problem mentioned,* and (b) that combined evaluation efforts may, in the future, if all assistance agencies increase emphasis on evaluation, become a practical necessity in order to conserve the time of local personnel.

4. Pressure for making evaluation materials available to the public

At least one evaluation effort of AID and its predecessor organizations foundered on this point. The currently initiated program has, however, a significantly different method. It starts with emphasis on evaluation operations by the mission rather than on reports by visiting teams to Washington. It emphasizes evaluation as built into the routine flow of activities and directed to the undramatic objective of analyzing experience to determine the "whys" of what happened, and supplying the conclusions to the continuing routine of other AID activities--not different in concept from other routine administrative activities of the Executive Branch.

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* We note the following recommendation in the Summary Report, "Study of Manpower Needs, Educational Capabilities, and Overseas Study," of an Education and World Affairs Study Committee: "... AID should seriously consider reducing the number of special study teams sent to Africa and make a greater effort to relate new studies to the overall assistance strategy for the country concerned. The constant stream of visitors is a heavy burden to both African officials and the staff of USAID missions. More importantly, too frequently these studies are not well coordinated with other investigations or on going programs nor to the overall human resource strategy of the country..."

## V. CONCLUSIONS -- A PRACTICABLE APPROACH TO IMPROVING AID PROGRAM EVALUATION

The preceeding sections contain a number of conclusions, both explicit and implicit. This section distills from the preceeding discussion the major conclusions regarding a practicable approach to improving AID program evaluation. These conclusions, as developed, were provided formally or informally to the AID organization. Most of them are already receiving attention, varying from dissemination for information to initiation of execution. Those marked with an asterisk are substantially the points which were accepted with general (if not always complete) consensus by seminars of senior AID officials in April 1965, and by the Executive Staff in its meeting of April 20, 1965. The references at the end of each conclusion indicate at least one section of the report containing pertinent discussion.

### A. Past AID Evaluation Activities

*1. AID has undertaken a variety of useful evaluation activities. (I.B.)

*2. AID has not had a consensus on the meaning, scope, objectives and contribution of evaluation. (II.A.)

3. AID has not marshalled the administrative, organizational, information analysis and dissemination, and other resources needed for a comprehensive evaluation system--or even for maximizing the usefulness of the array of evaluation efforts now undertaken. (IV.B.)

### B. Definition, Objectives, Scope, and Methods of Evaluation

*4. Evaluation is the examination of our experience to provide guidance which can be utilized both to improve program execution and to improve program planning. (Definition disseminated to agency by Administrator.) (II.A.)

*5. Evaluation is a process, not merely a collection of unrelated acts; it is a frame of mine, not merely a series of reports. Evaluation involves taking a critical analytical look at our experience on a systematic basis and as a regular part of our work. (II.A.)

*6. Evaluation supports, and overlaps with, both program planning and program execution but should be viewed as a separately identifiable component of AID's work pattern. (II.A.)

*7. Evaluation is a management tool and a management responsibility. (IV.C.)

*8. The basic requirements of an evaluation system include a clear designation of responsibility--both line and staff; an evaluation plan; adequate personnel and funding to carry out the plan; and systematic procedures for utilizing evaluation results. (II.C.)

9. The process for each evaluation activity includes (a) a determination of purpose, (b) designation of organizational level and office to which conclusions are to be addressed, (c) selection of appropriate standards and criteria, (d) allocation of personnel, funds and administrative resources, (e) execution action on approved recommendations, and (f) follow-up on execution. (II.C.)

*10. Evaluation, by definition, implies some standards against which to evaluate. (II.D.)

11. The state of the arts of social and economic development, and also of use of assistance for political purposes, indicates that sophisticated scientific techniques are generally secondary to the availability for evaluation activities of sophisticated individuals, preferably with knowledge of AID and also of the less developed countries. (II.D.)

## C. Elements of a Program to Increase AID Emphasis on Program Evaluation

*12. AID should increase its emphasis on evaluation. (III.A.)

13. Administratively, as well as in methods and techniques, a comprehensive evaluation system needs to be built on a step-by-step basis. The system should utilize, with appropriate adjustments, resources in being to execute evaluation activities. (II.D.)

14. In developing further its evaluation system, AID should lean heavily on the case study method and on staff action combined with strong leadership, rather than placing major dependence on consultants and reports. (II.D.)

15. Management responsibility for evaluation should be specifically vested in the line chain of command: Administrator, regional assistant administrator, mission director. (II.C.)

16. At each of the three organizational levels, the respective administrator should have close to him a staff resource for evaluation with cognizance spanning the full range of the principal officer's program planning and execution responsibilities. (II.C.)

*17. AID should initially (but not exclusively) emphasize mission level evaluation under the leadership of the director. (I.B.)

*18. The initial (but not exclusive) emphasis should be on evaluation leading to improved program execution. AID is, in the short run, significantly committed as far as program is concerned. A "good" project well executed is likely to give more payoff than a "best" project executed in a mediocre manner. (II.A.)

19. AID should seek to free more time and interest of field personnel for evaluation by such measures as elimination of unutilized reports and other work requests, decentralization, and provision of AID/W personnel to assist in evaluation. (IV.A.)

20. Each field mission, regional bureau, and staff division involved in the evaluation program should have an evaluation plan. (II.C.)

*21. Evaluation in the sector context (technique "sectors" such as contract, direct-hire, joint operations with recipient country; and program sectors such as agriculture and education) has been inadequately stressed and should be stressed in the future. (II.E.)

*22. There should be concrete actions to make the lessons from experience available to operating and planning personnel in usable form--a better evaluation reporting, analysis and dissemination system. (IV.B.)

## VI. RECOMMENDATION

Except for one, there are no additional recommendations I wish to make beyond those clearly implied by the conclusions in this report, those in action papers processed or in process in the agency (see Supplement), and suggestions, too detailed to mention, which have been passed informally to the responsible officials in the field and in Washington. The one additional recommendation is central to any progress toward a more comprehensive evaluation system. The conclusion that AID should increase emphasis on evaluation and the supporting conclusions as to ways and means are premised on the overriding assumption that:

> The Administrator continue to monitor, guide, and give his personal impetus to improved AID evaluation.

Such improvement is consistent with the current progression of other agencies concerned with international development which are only now turning to emphasis on evaluation. But such improvement requires initiative, innovation, and the progressive institution of new administrative, organizational and analytical arrangements. Hence, I conclude that, in the AID milieu, the improvement will be slow to occur but for the strong personal leadership of the Administrator.

SUPPLEMENT

to

REPORT

IMPROVING A.I.D. PROGRAM EVALUATION

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ANNEXES

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George A. Lincoln
Colonel, USA, Professor, U.S. Military Academy
* * *
Special Advisor to the Administrator
Agency for International Development
Washington, D.C.

IMPROVING A.I.D. PROGRAM EVALUATION

## PREFACE

The supplement contains, as annexes, a selection of staff studies, internal memoranda and messages prepared in the course of the Special Advisor's examination of AID's systems of evaluation and sets of criteria.

Taken chronologically, they reflect the progression of the Special Advisor's efforts to provide a basis for improving the evaluation of AID programs -- from the Administrator's initial terms of reference to the message to field missions requesting comments and suggestions on initial actions taken to increase emphasis on evaluation. The annexes include papers which served as background material for two seminars and an Executive Staff meeting on evaluation, and which were subsequently sent to the field. They also include papers produced by the Special Advisor and his assistants in their capacity as a staff resource for the Administrator. The latter deals more specifically with the implementation of an improved evaluation system. In these various papers can be found a number of conclusions and recommendations incorporated in the main body of the final report.

Together with the main body of the report, the supplement is intended to serve as an initial reference for those within the agency charged with continuing responsibility for AID program evaluation.

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DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D. C. 20523

**ANNEX A**

OFFICE OF
THE ADMINISTRATOR

AUG 13 1964

MEMORANDUM FOR: The Secretary
Mr. Mann

In accordance with our previous conversations, I am completing arrangements for Col. George A. Lincoln of the West Point faculty to join us in October as a Special Consultant to review our methods and criteria for evaluating aid programs and projects. He will concentrate on Latin America, but his findings and recommendations are expected to be applicable world-wide. Col. Lincoln will be on sabbatical leave from West Point and will have available the better part of a year - though he is not sure he will want to spend all his time on this subject.

As a senior man with much experience in aid matters, Col. Lincoln will be expected to lay out his own work plan. Before he starts, I am sure he will want to talk with both of you, and with Mr. Rostow, Mr. Rogers and others. I have suggested to him that one useful way to describe his objective, is to say that we would like our aid evaluation systems to give us better answers than we now get to two questions:

- have we selected the right activities to undertake in the various aid-receiving countries?

- are we conducting efficiently the activities we have selected?

It had been my original thought that it would be useful for Col. Lincoln to review the present evaluation systems for both military and economic aid. Secretary McNamara's initial reaction, however, is that he does not think it would be particularly useful to include military aid in the scope of Col. Lincoln's assignment, except as there are inescapable relationships with economic aid (e.g., civic action projects; defense vs. development budget issues in recipient countries, etc.)

We will provide an office, secretarial assistance, per diem and travel costs, etc., for Col. Lincoln. Presumably he will need one or two people by way of staff assistance; this will be worked out when he has been on the ground. He expects to spend August 24th and 25th here in preliminary discussions.

(Sgd.) David E. Bell

David E. Bell

8 October 1964

**ANNEX B**

MEMORANDUM FOR THE ADMINISTRATOR

SUBJECT: Preliminary Plan of Work and Some Considerations Pertaining Thereto

1. Your memorandum of August 13 to the Secretary stated, among other things, that I would spend most of my sabbatical year from West Point (starting October 1) reviewing evaluation methods and criteria now in existence and seeking ways in which our aid evaluation system might give better answers to two questions:

a. Have we selected the right activities to undertake in the various aid-receiving countries?

b. Are we conducting efficiently the activities we have selected?

You indicated that, while I proposed to concentrate on Latin America, you hoped that any findings and recommendations would be applicable world-wide, also that I would lay out my own plan of work and presumably would have one or two staff assistants. I have taken your August 13th memorandum as guideline and charter. The following paragraphs give a preliminary plan of work. The annex to this paper sets forth some considerations, primarily for guidance of my two assistants.

2. The current general guidelines for this project are to:

a. Spend considerable periods in each of three Latin American countries (Brazil, Colombia, and a third to be firmly selected later - probably in the Central American area).

b. Spend intermediate periods in Washington working with two staff assistants on the general aspects of the problem as well as on the specific Latin American aspects.

c. Provide plans of work for staff assistants in my absence.

d. Make suggestions, if any seem appropriate, either formally or informally, as we progress.

e. Consult with, and cooperate with, related efforts within our limited resources.

f. Target on preparation of a brief study next summer which, if contents so indicate, should be "checked around in draft.

3. The current plan for initiating this project by studies in Washington is to:

a. Place heavy emphasis on getting an historical summary of previous similar endeavors to include an appraisal of nature and degree of achievements and reasons therefor.

b. Get an annotated inventory of current efforts and attempt to identify gaps and also any incomplete underpinnings in concept or in application of concepts.

c. Identify and analyze "systems of evaluation" and sets of criteria" applicable to the questions you present. I recognize the difficulty of this task but we will try.

d. Break out identifiable problem areas for preparation of staff studies. I have thus far, made a tentative listing which includes:

(1) The assistance philosophy pertaining to the questions for study, of the principal foundations working in LA;

(2) The approach to the problems you present of Ex-Im and other U.S. and international agencies associated with AID assistance endeavors, and, if possible, other assisting countries.

(3) "Civic action" in relationship to AID operations and objectives;

(4) Doctrines on coordination (both technical assistance and capital development) of several inputs to a single project or program;



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(5) Selection among technical assistance projects - education and/or agriculture have been suggested.

(6) Yardsticks for measuring achievement or lack thereof.

(7) Others

4. The foregoing listing is, on the one hand, far from complete, on the other hand is already indicative of possible overcommitment of our limited resources. But the way to begin, is to begin; a better plan is unlikely to be devised until the first draft is set down as a baseline from which to depart. My own in-country work is bound to be somewhat guided by the direction of the hospitality of the Ambassador and mission chief. I hope to relate, without necessarily complete congruence, this work to Washington studies. Particularly, I hope to comprehend how our field missions (a) "evaluate" in selecting where and how they propose to commit our limited U.S. resources and the interaction of their evaluation with the process going on in Washington, and (b) appraise efficiency of operations, once commitment begins.

5. My own tentative time schedule is:

a. 1-15 October, Washington: Preparation of work plan, initial contacts, and orientation directed to problems of Brazil.

b 16 October to pre-Christmas, Rio de Janeiro: I am keeping open the possibility of a few days in Buenos Aires to consult with Ambassador Martin and his staff who have invited me to return.

c. Pre-Christmas to Mid-January, Washington: For purpose of extending and refining work plan and studies.

d. Mid-January to mid, or latter part of, February: Colombia: with possible few days in Lima and La Paz. Ambassador Oliver and the AID mission director in Bogota each asked me to return, suggesting, however, that I come back in two or three months. In retrospect I feel that in my one day recently in Lima, I fell far short of obtaining all the advice and counsel there available and pertinent to this project.

e. Until I know more about the problem presented I cannot reasonably be explicit on plans beyond the first part of next March.



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ANNEX

Considerations Related to Preliminary Plan
for Study of AID Evaluation Systems

1. AID has arranged for two staff assistants, Mr. Glen Camp (Ext. 5872) and Mr. Peter Geithner (Ext. 6638). They are already at work on our mission, cutting into the federated questions you have presented. There seems to be plenty of work within the term of reference for the three of us.

2. As undergirding for preparing a "plan of work" I was fortunate in undertaking a long scheduled trip to six countries in Latin America, accompanying the Director of Military Assistant on an inspection trip. With one or two exceptions I was able to discuss the problems and concepts presented in your memorandum with the Ambassadors and with either the chief or deputy chief of each AID mission. Also pertinent, I received indications that I would be welcome to come back to those countries visited where it seemed most likely that I should return in connection with this project. I have also consulted some of the people in the Executive Branch specifically suggested by you. It seemed to me best to postpone consultation with others of those suggested until I had prepared and discussed with you a tentative plan of work. Stemming from my own background, consultations thus far, and the early availability of one staff assistant, I have some knowledge of previous and current efforts in the area of the problems you suggest for study. For instance, C. Tyler Wood described his "evaluation" efforts substantially as the problems you present. A 30-months effort pertaining to technical assistance, started in 1959 and probably costing several hundred thousand dollars, seems to have had about the same terms of reference.

3. I have found no openly expressed opposition to the effort and a great deal of support for study of the problems on a systematic basis with the objective of getting more useful criteria and concepts. There have been expressions of concern as to overlap with the several evaluation efforts, particularly personnel, now going forward -- a concern readily dissipated by an explanationoof our mission as we see it. I suspect, however, a good deal of skepticism exists as a result of previous evaluation efforts. Many of these efforts seem to have assessed performance and the relationship of project execution to the country program. They rarely analyzed how projects were picked in the first place, or whether (with hindsight) better projects might have been selected or better methods of project execution chosen.

4. As to methods of approach ("plan of work") I have received multiple and disparate recommendations ranging from focusing on quality of personnel in AID missions to spending all effort on determining what legislature and administrative strictures on assistance activities should be reduced or eliminated - and how. As to geographical location for our limited efforts, people in the field are unanimous that the field is the place to learn. The unanimity among people in Washington is not so complete but I am fortified by the view of the Secretary that, if he had the mission to perform he would attempt to learn in the field in depth about the somewhat different Latin American countries. Clearly, the project requires that study be undertaken both in Washington and in the field.

5. There has been, and is, an impressive amount of expenditure of money and talented effort in AID, its predecessor agencies, and in agencies associated with AID, in studies directed to improved evaluation and efficiency. The time resources of my effort are, comparatively, very limited. Nor, should that effort duplicate or compete with other efforts of the past and present. Rather, our effort should draw on the lore from the past, and seek to provide one input as part of a mutual assistance program for evaluation and efficiency for the objective of tackling the questions you pose. As in the case of assistance projects with inputs from various sources, our contribution may not be assuredly, and/or completely, identifiable from the sum total of progress during the coming year.



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DEPARTMENT OF STATE

AGENCY FOR INTERNATIONAL DEVELOPMENT

WASHINGTON, D.C. 20523

**ANNEX C**

OFFICE OF
THE ADMINISTRATOR

April 19, 1965

MEMORANDUM FOR:

Mr. William O. Hall, AA/A
Mr. William B. Macomber, Jr., AA/NESA
Mr. Edmond C. Hutchinson, AA/AFR
Mr. Rutherford M. Poats, AA/FE
Mr. William D. Rogers, AA/LA
Mr. Herbert J. Waters, AA/MR
Dr. Leona Baumgartner, AA/TCR
Mr. Bartlett Harvey, AA/PC
Mr. Donald W. Hoagland, AA/DFPE
Mr. Michael W. Moynihan, IS
Mr. Lucius W. Hale, ENGR
Mr. George P. Delaney, O/LAB
Mr. Byron Engle, O/PS

SUBJECT: Request for Information on Evaluation Operations Conducted by AID/W Staff Offices and Regional Bureaus

As you know, we have currently underway several efforts designed to contribute to improvement of AID operations. At least three of these include consideration of some aspects of our evaluation activities. An interagency task force is working with Dunlap & Associates, Inc., with the objective of developing an information system which might contribute to transfer of lessons learned in our technical assistance activities. A small group headed by Colonel G. A. Lincoln, has, in its studies of our systems of evaluation, prepared a partial inventory of evaluation operations going forward in AID and other assistance agencies. The Booz, Allen, and Hamilton Team, which recently surveyed AID/W organization, concluded in its report that a detailed review should be made of all evaluation efforts of AID as a basis for subsequent improvement in management.

The efforts to increase use of evaluation as a planning and management tool for improving AID operations are in line with Congressional intent as expressed by the McGee Committee's conclusion that "one of the most critical needs of the Agency is far more objective and effective evaluation of its programs and projects."

I am aware that a number of projects have been undertaken or are going forward under AID/W auspices. As pointed out by the Management Team Report, there is no single inventory of these available.

This memorandum requests that by May 7 each of you submit a memorandun to me containing a general description of your office's current evaluation activities with attachments. Each attachment should summarize in one page or less every evaluation effort now underway or completed in the past year. This request is for evaluation activities in both the area of program execution and also of progress toward fundamental US objectives.

Examples of evaluation efforts which have already come to my attention are: Phase I of last year's Summer Research Project ("Review of AID Strategies"), the Report, "Evaluation of the Technical Training Program in U.S. Foreign Aid," research projects directed to evaluation of AID programs, and evaluation functions with respect to the Food for Peace program.

Other examples include the Jacoby evaluation of foreign assistance to Taiwan, the "Blume Report" of March 1 on TC in India, and the sectoral studies on Nigerian education and agriculture.

Personnel evaluation efforts should not be included in this report. Only AID/W activities should be included, thereby making any communication to the field unnecessary.

The thumbnail notes requested on each evaluation activity should include data on each of the following questions when the question is appropriate.

a. What specific purpose was the evaluation operation designed to achieve?

b. What results (quantify if possible) were gained from the evaluation operation or project?

c. How were the conclusions implemented?

d. What distribution was given to the evaluation report and results?

e. What is an approximate estimate (if practical) of (1) cost, (2) man days of each evaluation effort?

Please provide the above information by May 7.

DEB

David E. Bell

4-16-65

# ANNEX D

October 1, 1965

FOREIGN ASSISTANCE EVALUATION EFFORTS

PAST AND PRESENT

Covering Note

As mentioned in Section II of the Report, one of the initial steps taken by the Special Advisor was to survey past and present evaluation efforts of AID, its predecessor agencies, and of other organizations, public and private, providing assistance to foreign countries. The attached staff paper was prepared with this purpose in mind.

The paper includes a brief discussion of evaluation as it has been viewed in the past--definitions, categories, methods and techniques, feedback of results and sets of criteria. Annex A of the paper describes a number of individual evaluation efforts. Annex B summarizes the Agency's programming and implementation processes.

In retrospect, the paper has several limitations which the reader should bear in mind. For example, the paper is not, nor does it purport to be, a complete inventory of past and present evaluation efforts. There is no discussion of the activities of the Foreign Service Inspectorate, of evaluations carried out by the Mutual Security Administration, or of such Presidential reviews of the foreign assistance program as those of the Draper and Clay Committees. The evaluation activities of the voluntary agencies are also omitted. The paper does, however, include a sufficiently representative sample of past and present efforts to indicate the various approaches which have been taken to evaluating foreign assistance programs.

In describing individual efforts (particularly Annex A, Section III) there is a tendency to confuse prospective assessments of project proposals with the more limited, retrospective concept of evaluation, which was later adopted by the Administrator as the focus of the Special Advisor's attention. In this sense, the draft inventory mirrors the lack of a precise definition of the term evaluation, and the difficulties resulting therefrom, which is one of the principal findings of our year's study.

The paper devotes considerable attention to staff units set up outside or alongside the Agency's line chain-of-command... a reflection of the heavy reliance on the "visiting team" approach, which has characterized past evaluation efforts. As the main body of the final report makes clear, the Special Advisor has been principally concerned, not with building more evaluation of this type, but with evaluation "built into" the Agency's administrative processes.

In brief, the attached study is descriptive rather than analytical in nature, is only a partial inventory of past and present evaluation efforts and may be partially misleading in its organization and contents. These limitations notwithstanding, the paper is included as part of the Supplement for the useful information it does record (we know of no comparable inventory) and for the purpose of documentating an early stage in the course of the Special Advisor's examination of AID's systems of evaluation.

DRAFT

# FOREIGN ASSISTANCE EVALUATION EFFORTS PAST AND PRESENT

A Draft Staff Study in Connection with the Mission of the Special Advisor to the Administrator of the Agency for International Development to Study Systems and Criteria for the Evaluation of Foreign Assistance

March 31, 1965

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# FOREIGN ASSISTANCE EVALUATION EFFORTS

## PAST AND PRESENT

### Purpose:

This paper reviews selected past and present evaluation efforts of the Agency for International Development, predecessor agencies and related endeavors from the standpoint of definitions of "evaluation" as the term has been used by these agencies, categories of evaluation, methods and techniques employed, and feedback. It concludes with a section containing discussion topics pertaining to criteria for evaluation.

Some past and present evaluation efforts are described in greater detail in Annex A. The Agency's programming and implementation processes are summarized in Annex B.

This paper is intended to serve as a basis for discussion of systems and criteria for evaluation of foreign assistance programs. It is recognized to be incomplete. Undoubtedly, the research has overlooked some past evaluation efforts and some now going forward.

### Definitions of Evaluation:

The term "evaluation" has been used by AID and predecessor agencies to describe variety of activities carried out for different purposes, at different times, in different places, by different people, using different methods, and with different audiences in mind.

We have not found any explicit definitions of "evaluation" in statutory law or administrative regulations. However, descriptive definitions may be derived from the powers, responsibilities and functions of offices engaged in the evaluation process, as set forth in the Foreign Assistance Act of 1961, AID Manual Orders and General Notices. For example, the Operations Evaluation Staff (AID/OES) is charged with responsibility for evaluating the "operational performance and effectiveness of the USAIDs and headquarters." The Technical Assistance Study Group was set up "to assess the reasons for successful or unsuccessful Technial Assistance Activities" and to evaluate existing TA programs in an effort "to identify the major factors which should govern ... future programs."



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Descriptive definitions of evaluation may also be distilled from an empirical examination of the actual or informal processes and objectives of evaluation efforts conducted by AID and prececessor agencies. The Management Inspection Staff provides a case in point. Between June, 1962 and April, 1964, MIS "informally" carried out some 25 country studies in cooperation with the Department of Defense. These studies included "evaluation" of all aspects of AID/MAP programs and operations. They were conducted separately from MIS's investigations of malfeasance and misfeasance in office.

Other definitions are found in various papers by senior AID officials and others. Mayer defines evaluation as "The measurement of performance against explicit standards" and suggests that the character of evaluation is "A process, involving the selection or development of appropriate standards and measurement techniques and their application to ongoing or completed activities, leading to some sort of feedback to the same activity or to prior or subsequent ones, for one or more purposes." Tyner has described evaluation as "a process through which the agency searches for the materials out of which policy can be formulated and reviews peridically particular programs against current policy and standards of management practices." Chly refers to evaluation in three senses: as a means "to make certain delegated authorities are being properly exercised," as "an essential method of conducting certain types of research (or information retrieval)," and as "a principal tool in the continuing re-examination and recurrent modification of ongoing projects." Evaluation has also been defined as "a process which enables the administrator to describe the effects of his programme, and thereby to make progressive adjustments in order to reach his goals more effectively"; and as "an effort to learn what changes take place during and after an action programme, and what part of these changes can be attributed to the programme."

Categories of Evaluation:

A review of the definitions derived from these sources suggests that the term evaluation has, at one extreme, been applied to any effort to answer athe question "How well are we doing?" and at the other extreme, has been restricted to a process involving the use of sophisticated social science research techniques. In general, however, it is possible to group the Agency's past and present evaluation efforts i three broad categories:

a. Compliance Control Evalution undertaken to determine compliance with statutory, policy and administrative regulations. The activities of the Internal Audit Branch (A/CONT) and the Management Inspection Staff are familiar examples.



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b. Performance or Program Evaluation is designed to determine if the level of performance attained justifies continuation, modification or termination of the activity as well as to seek ways to improve actual performance. Performance may be evaluated in terms of effectiveness (how well is the project doing what it was intended to do), efficiency (relationship between effectiveness and cost), or significance (an activity's contribution to sector goals and U.S. objectives). Performance evaluation is carried out as an integral part of the agency's programming and implementation processes. The Operations Evaluation Staff (AID/OES) is also engaged in this type of evaluation.

c. Evaluation research is primarily concerned with the factors governing the level of performance attained in an effort to (1) develop standards of criteria for decision-making at all levels through the analyses of past performance; and (2) provide a means of appraising on-going and new activities through subsequent analyses of current and future performance. The Office of Research and Analysis (TCR/RA) is responsible for centrally-funded evaluation research. Other staff offices and the regional bureaus also sponsor evaluation research (e.g., the Office of International Training's study of Participant Training and the Jacoby Taiwan Study).

These three broad types of evaluation have been applied to all levels of the Agency's activities - worldwide, regional, country, sector, project - and to its various programs.

Methods and Techniques:

In general, two basic techniques have been employed to carry out compliance control and performance evaluation. The first is the internal agency review system which is built-into the programming and implementation processes and which involves all levels on the organizational hierarchy. This process "peaks" in decision making loci at the Mission Director, the Regional Assistant Administrator and the Administrator echelons. It utilizes formal review sessions, checklists, and reports of various types.

The second basic technique is the use of evaluation "units" which operate alongside or outside the Agency's line chain-of-command and which perform checks on its operations. These units include the Internal Audit Branch of A/CONT, MIS, AID/OES, IGA, etc.

Evaluation research may be performed "in house" (e.g., the Technical Assistance Study Group) or through contracts with outside organizations. Evaluation research may also be carried out as an integral part of project



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operations in the sense of the systematic collection and analysis of data.

Feedback:

The results of the various types of evaluation may be conveyed formally or informally, in written form or verbally. The organizational unit responsible for evaluation customarily produces written reports, containing observations and recommendations, which are circulated to the appropriate line officials for action. These reports have varied in length from 3 to 60 or more pages. In draft form, they serve as a basis for discussion. In final form, they may be the subject of more formal consideration. Statements from line officials of actions taken to implement the recommendation may or may not be required.

Evaluation as performed by the operating elements of the Agency is generally conducted as an integral part of the planning and implementation processes. This process of "self evaluation" insofar as it occurs, provides a direct "feedback" into these processes. Various ad hoc techniques - conferences, intra-and inter-regional visits by staff officers, the circulation of reports - have also been used in an effort to transfer lessons learned in the evaluation process from one mission or region to another.

Sets of Criteria:

The investigations in connection with this current study have not uncovered any staff paper or other study attempting a systematic identification and analysis of appropriate sets of criteria for evaluation activities. Hence this study has to start from scratch in such analysis. The notes in the following paragraphs are certainly to be construed only as catalytic items for discussion and further study.

AID Manuals, Policy Determinations, General Notices and messages of guidance from the Administrator and Regional Assistant Administrators contain a large number of criteria, some explicit and some implicit. In some cases (e.g., statutory criteria for development loans) these criteria are very detailed. In other cases there is a recognized need for greater specificity. There are still other areas for which either the criteria themselves or the techniques for applying them are lacking. There is, for example, no manual order on the subject of evaluation; nor is guidance provided for selecting the most efficient feasible alternatives for producing desired results.

For purposes of discussion in these notes, the task of evaluation is considered as being three related but distinguishable processes:

(a) Compliance evaluation;
(b) Performance evaluation;
(c) Evaluation to appraise the progress toward fundamental U.S. objectives in the country or region concerned.

Compliance evaluation is a matter of checking compliance with existing laws, administrative regulations, and general recognized sound practices such as those of fund control. This is a business for auditors, comptrollers and others who deal with the more routine administrative checks. This category of evaluation has been highly systematized in AID as well as in other governmental activities and is not considered within the terms of reference of this study except insofar as the required compliance may be found to affect adversely the performance and/or progress toward fundamental U.S. objectives. Judgment on such adverse effects is most likely to be derived, however, from evaluation efforts in the area of performance and/or of the appraisal of progress toward the fundamental objective.

Performance evaluation seeks answers to the questions: How well are we doing with a particular project or program? Why? Any attempt to determine needed changes in operations flows largely from those questions and their answers. Hence, performance evaluation is certainly closely related to control and conduct of operations and requires some of the same data and procedures. For instance, any program or project plan should reasonably include a statement of specific objectives (quantified if at all possible) a time schedule for attainment, and scheduled quantities of input resources. The plan should also record base lines from which the project or program starts as well as the fundamental U.S. objectives it is supposed to further. Finally, it should include provision for evaluation of progress and of the final outcome.

Our further studies should undertake a systematic categorization of criteria to meet the requirements indicated in the preceding paragraphs as well as considering the various applicabilities of these categories. For instance:

(a) A project or program can be evaluated by comparing achievement to the scale of progress envisaged in the original plan. One of the principle objectives of a plan, however, is to provide a base line from which to make changes as the future unfolds. With rare exceptions, no plan proves to be perfect. Hence it must be recognized that most plans should be adjusted with progress



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through time. Hence, also, the close relationship between performance evaluation and conduct of operations since the evaluation process should give guidance as to how to change and improve operations as implementation progresses.

(b) Evaluation of achievement can be by absolute quantities: for example, number of houses or schools built.

(c) Evaluation can be by relative quantities, for example: percentage of increase of houses in the country or proportion of the estimated deficiency filled by the program.

(d) Evaluation criteria, to be significant, are almost inevitably complex, for example: The number of schools built should be coupled with an appraisal of availability of teachers, increase in number of children going to school and even perhaps a question as to whether the schools would in fact have been built if assistance had not been provided.

(e) Evaluation can be by comparison and contrast of similar projects and programs in the same country in the past or in another country. Such criteria require accumulation of data not now generally available.

(f) Evaluation can be by forms of input-output analysis, for example, the cost per house unit, per pupil space, per participant schooled, etc., with comparison to past experience and to what seems reasonable to professional judgment in such matters.

(g) Another method of approach warranting serious consideration is systems analysis as now used in some Department of Defense planning. It will almost certainly be necessary, however, to attain improved program execution with the concomitant improved operational planning and data availabilities before much progress can be made in the application of this technique.

The foregoing illustrative types of criteria underline the point of the relationship between performance and conduct of operations and the related point that performance evaluation is more than important; it is essential to a sound program of improved execution of AID's operations.

The identification of sets of criteria for evaluating the extent to which AID activities contribute to fundamental U.S. objectives (economic stability, internal security, fundamental institutional changes contributing to political, social and economic development, a friendly or at least not unfriendly attitude toward the U.S., etc.) is the most difficult of the three related types of evaluation we are considering. Here there is almost always bound to be a requirement for experienced professional judgment compared with such quantitative and qualitative criteria as can be devised and applied. The existence of the need for professional judgment is not, however, an adequate reason for failure to seek and apply all possible specific criteria. The process of evaluation of past and present projects and programs is certainly as useful a method for seeking such criteria as the increasingly numerous deductive scholarly studies of the problem.

The science of macro-economics has thus far been the principal source for systematic criteria in determining progress toward fundamental objectives. The following points are illustrative of items for discussion in determining criteria.

(a) An evaluation of a single AID "project" will rarely be of sufficient significance in itself to show adequately what progress has been made toward a fundamental objective. Hence, the conclusion that evaluation should be generally by sectors (education, agriculture, private enterprise, government efficiency, etc.).

(b) Macro-economic statistics may or may not throw light on progress toward desired objectives. For instance, a heartening overall increase in gross national product per capita may be achieved even though the lot of half or more of the population is not improved at all.

(c) The initial input of assistance, even if quite large, may not initially show significant improvement in a country from the standpoint of macro-economic analysis. But if there is merit in the thesis that some countries can best be developed by a large initial input to be followed by lesser amounts of aid (the analogy being the large input of fuel to get a steam engine going followed by limited inputs to keep it steaming), then macro-economic indicators do not provide the needed criteria at the beginning of this type of operation and case studies of other experience will probably develop the best criteria for use.



A/AID:GALincoln/GDCamp/PFGeithner
3/31/65

## ANNEX A

### Inventory of Some Foreign Assistance Evaluation Efforts

### I. Some Past Efforts to Evaluate the Foreign Assistance Program

#### A. Office of the Assistant to the Director for Evaluation (AD/E).

This office was established by M.O. 221.3 of July 30, 1956 and placed under Mr. C. Tyler Wood. It represented the most carefully designed effort made under ICA to use teams as an evaluation tool. Even today, the Wood reports serve as valuable briefing documents. About 37 countries were evaluated by teams composed of one career FSO-1, one senior ICA officer at the mission director level, and one staff assistant. The resulting reports were comprehensive indeed. Some exceeded 150 pages, took six months to prepare, and cost over $30,000. One typical report contained a two-page glossary of technical terms and organization abbreviations, a 29-page "Summary" and five single-spaced pages of recommended improvements. The reports considered the total country program from the political, economic, social, and security points of view. The Wood teams did not, however, have a military representative. AD/E was abolished in 1959 after a dispute over the executive privilege problem. The Wood reports were classified SECRET.

The characteristics of the AD/E operation included: (a) a considerable amount of research in Washington, necessitated by a lack (now not existent) of information concerning the country and our assistance program there, and (b) energetic follow-up efforts on the part of AD/E both in Washington and in the field for the purpose of getting implementation of conclusions and recommendations.

#### B. Inspector General and Comptroller (U/IGC).

This office was established by Section 533a of the Mutual Security Act (MSA) of 1954 as amended in 1959 and approved on July 24, 1959. This section provided the statutory basis for U/IGC.

The statute's legislative history suggests considerable congressional dissatisfaction with ICA and Department of Defense (DOD) foreign aid operations. This led to the demand that a single, centralized, high-level office evaluate them. Key Congressional leaders felt that this chain must be independent and therefore should be outside the ICA and DOD chain of command. Above all, the office should possess sufficient authority to implement improvements in these foreign aid operations.

Thus although not granted specific statutory authority to do so, U/IGC through its controller function possessed the administrative authority to veto project funding. Consequently, in addition to instituting audits, inspections, and policy reviews, U/IGC could effectively suspend projects both in Washington and the field.

Administratively, Departmental Circular No. 339 of October 5, 19[illegible], detailed U/IGC's functions and divided it into an Immediate Office and three Divisions: Financial Management, Investigations, and Evaluations.

About 20 classified country studies were completed by U/IGC personnel. The first Inspector General and Comptroller (Mr. John E. Murphy) added to all five of his evaluation teams a flag or general officer to handle Military Assistance Program (MAP) evaluations on a high level. As his office designation indicates (U/IGC), the Inspector General and Comptroller reported to the then Under Secretary of State for Economic Affairs (Mr. C. Douglas Dillon).

Soon after the establishment of U/IGC an executive privilege issue arose with respect to the vexed problem of furnishing reports to interested Congressional committees. Under the "Hardy Amendment" (2nd part of section 534(b) of the MSA of 1954, as amended), Congress tried to force U/IGC to provide reports to committees.

On December 13, 1960, the General Accounting Office (GAO) officially informed the Secretary of State that since U/IGC had not furnished various investigative reports to Mr. Porter Hardy, no funds would be available to U/IGC after December 9, 1960.

On December 24, the President directed the Secretary of State to use MSA funds for U/IGC despite the GAO ruling. U/IGC's function really continued unchanged until the establishment of its successor, IGA, on November 4, 1961. U/IGC changed its name, however, in February, 1961, when Mr. Ball succeeded Mr. Dillon and U/IGC became B/IGC.

Thus B/IGC was replaced by IGA (q.v.) on November 4, 1961. The statute establishing IGA (Section 624(d) of the FAA of 1961) was implemented by Departmental Notice 638, FSM Circular No. 38, and Department Circular Telegram 842.

C. Technical Assistance Study Group (TASG).

This team began an exhaustive study of ICA Technical Assistance (TA) activities in the fall of 1959. TASG was to "assess the reasons for successful and unsuccessful TA activities in the U.S. bilateral program," and after examining other national, multi-lateral, and private TA efforts, was to

"evaluate the major factors which should govern ... future programs." Thus TASG was to evaluate existing TA programs in an effort to identify the key factors in developing better ones. The interviews were classified by subject and coded, a set of access rules were drafted (52 pages in all), and the interviews placed in more than 15 file cabinets in Room 205 SA-9. The TASG team members incorporated the lessons learned from their interviews into their subsequent work. Moreover, the TASG interviews constitute the largest repository of technical assistance "lore" extant, and every effort should be made to encourage qualified scholars to exploit it.

After thirty months, 1,100 interviews were completed by the seven professionals attached to TASG. No conclusions, recommendations, or final reports were issued by the team; the interviews were not keyed to a single questionnaire; and TASG never recruited its study director.

D. Management Inspection Staff (MIS) The MIS as an evaluation arm of the aid program had difficulty formally establishing itself. It took two years for MIS to be "activated" after Mr. Thomas A. Kennedy took over as MIS chief. In particular, the internal audit function was never transferred to MIS from the Controller's Office (A/CONT). From June 1962 until April 1964, MIS "informally" carried out about 25 country studies. Each was conducted by a joint AID and DOD team and examined such topics as "Policy and Strategy," the "Strategy of Development," "Joint AID-DOD Programs," the "Economic Program," the "Military Program" and AID administrative problems. The authors of the country studies are anonymous, but the DOD member represented the Office of Policy Review, OSD/ISA. All reports were classified SECRET and were from 30-50 pages long.

## II. Some Current Efforts to Evaluate the Foreign Assistance Program

### A. Inside AID

#### 1. Evaluation "Built-into" Programming and Implementation Processes.*

Periodic appraisals of the Agency's plans and objectives are carried out in connection with the preparation, review and approval of the Long-Range Assistance Strategy (LAS) or in those countries for which a LAS is not prepared, the Country Assistance Program (CAP). In preparing these documents, missions are called upon to analyze "the potential, problems and program for development of the host country" and to identify "the goals, level, emphasis and techniques of assistance

*/ The Agency's Programming and Implementation Processes are summarized in Annex B.



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and the corollary U.S. actions and policies best suited to promote our economic, social and political objectives within the country."

As up-dated annually, these documents provide the basis for reviews in AID/Washington by regional bureaus, central staff offices, and in the case of major programs by the Administrator. These reviews focus initially on the overall policy and budgetary considerations raised by Parts I ("Framework for AID Strategy") and II ("U.S. Assistance Strategy") of the annual LAS/CAP submissions. Part III ("U.S. Assistance Program") provides the basis for a more detailed review of individual project proposals. An evaluation of past performance is explicitly required in the consideration of both overall plans and objectives and individual project proposals. The review process may be formal or informal; it varies with the regional bureaus and with the form of assistance. Implementation is delegated to the regional Assistant Administrators as a function of their regular operating duties. The techniques employed vary with the form of assistance.

The utilization of Program Assistance is monitored through fiscal, accounting and statistical reports submitted in accordance with manual order requirements. Special reports are not normally required for progress evaluation of Program Assistance. The requisite facts and judgments as to its effectiveness in achieving U.S. objectives are included in succeeding LAS/CAP submissions and are reviewed as part of, and in addition to, justification for future Program Assistance. However, where specific requirements regarding host country performance have been imposed as a condition for significant aid commitments or for the release of tranches of a program loan, there may also be provision for periodic evaluations of self-help performance apart from the annual program review.

Guidelines for monitoring the implementation of Capital Assistance activities are set forth in the Implementation Plan section of the bilateral Capital Assistance Agreement and in the time-phased schedule of accomplishments required from the borrower or grantee as a condition precedent to disbursement. Implementation is monitored with respect to (a) compliance with requirements specifically enumerated by AID, and (b) overall physical and financial progress in achieving the purposes for which the loan or grant was made. The basic methods employed in monitoring project execution include the review of payment requests, post audit of payment documents, site inspections, review of progress reports and, where applicable, end-use checks.

The evaluation of Technical Assistance activities is intended "to assure that the project is contributing as planned to the desired objectives; that time-phased schedules are being met and targets achieved; that corrective action is instituted on a timely basis whenever required; that the administration of the project complies with AID technical, financial and management policies and standards; that the cooperating country is deriving

intended benefits from the project; and that the project has optimum impact consonant with foreign assistance aids." (M.O. 1351.1)

Progress reporting on action steps is provided for in the "Course of Action" and "Progress to date" sections of the Activity Description ("E-1") for each project. Activity Descriptions are required annually as part of the LAS/CAP submission. Recurring progress reports at more frequent intervals are also required as part of the new emphasis on prompt execution of approved projects.

Progress reporting on project accomplishments is required at three-year intervals and at project completion in the form of the Technical Assistance Project History and Analysis Report. The PHAR is designed to record substantive progress, i.e., "to assess the validity of the basic assumptions as to needs, opportunities and methods which led to initiation and execution of an activity." (M.O. 1391.1)

As in the case of Program and Capital Assistance, various accounting, financial and statistical reports provide a basis for determining compliance with pertinent regulations. The Manual Orders also require other reports (e.g., Evaluation of Contractor Performance, Project Completion, End-of-Tour) which include evaluative judgments of individual aspects of Technical Assistance activities.

2. AID Operations Evaluation Staff (AID/OES)

This office has a staff of five officials, all of them senior. It was established by AID General Notice of April 21, 1964, partly as a result of Congressional pressure expressed in the McGee Report. Its members report to the Deputy Administrator, Mr. Gaud. AID/OES is intended to be Mr. Bell's "eyes and ears," and to serve as an "internal mechanism to provide objective assessments of the operational performance and effectiveness of the US AIDs and headquarters." AID/OES executes an "executive review program implemented by carefully selected evaluation teams." It checks "operational performance, program objectives, suitability of projects, loan/grant ratios, and overall responsiveness of programs to current U.S. goals and objectives."

AID/OES written reports are very brief but are supplemented by oral reports on delicate problems. Implementation is highly informal, but particular problems may be assigned to operating officials or further staffed out to the Office of Management Planning (A/MP) before submission to the Operations Review ("bottleneck breaking") Committee chaired by Mr. Gaud.

3. Internal Audit Branch, Office of the Controller (A/CONT), Audit Division (C/AUD). The Internal Audit Branch examines AID country programs chiefly in terms of "compliance control" with proper fiscal and audit procedures. It also reports misuse of funds and diversion of resources. Occasionally the auditors make judgments which are properly termed "Performance Evaluation," however. Reports on country programs are detailed, ranging from 50 to 100 pages. The reports also consider non-fiscal problems, however, such as personnel operations and security procedures, procurement, housing, Embassy administrative support and property management. P.L. 480 programs are also examined including local currencies generated.

Three country program studies in the LA area have been cursorily examined: Argentina, Bolivia, and Colombia. They follow a common format and are divided into sections: General, Program Operations, Financial Operation, Administrative Operations, Cooperative Service Operations, and exhibits. The Cooperative Service Operations cover servicio operations.

4. Management Inspection Staff (MIS) (1964--). (See Section I.D)

After April 1964, the country study evaluation function was transferred to AID/OES and thus MIS dropped its "performance evaluation" activity. It kept its "compliance control" function of investigating alleged malfeasance or waste and remains the primary "crook catching" arm of AID. The new status was formalized by AID General Notice of April 21, 1964.

5. Office of Technical Cooperation and Research, Office of Research and Analysis (TCR/RA or "ORA").

The present TCR/RA or "CRA" has a complex history. In brief it is the descendent of REPAS, the Research, Evaluation, and Planning Assistance Staff, which was established by General Notice of December 29, 1961. REPAS consisted of four divisions: Planning, Research, Evaluation, and the TASG. The Planning Division under Dr. Karl Bode was later incorporated into the Program Coordination Staff (PC) while the other divisions stayed with what is now TCR.

The research and evaluation arm of TCR is thus "ORA" and the latter's functions are described in M.O. 204.5 of July 28, 1964. Briefly, ORA works with the Regional Bureaus in directing outside research on economic growth and analytical studies of the foreign aid program. An in-house research capability and responsibility for these topics is also implied, but not very clearly. The oversight of outside contract studies has occupied most of the time of TCR/RA, but the allocation of responsibility for these studies between TCR/RA, and the Regional Bureaus is not very

clear. Secondly, ORA "surveys" the development research field and disseminates its findings within AID and outside to other executive branch agencies. Lastly, ORA serves as an interregional coordination point for AID research and evaluation efforts and establishes AID reporting requirements for these efforts.

ORA organizational structure is currently under study. Dr. John Wilkes, Director of ORA, has suggested several changes in his paper, Planning, Funding, and Management of Research in A.I.D. of December 2', 1964.

TCR/RA oversees numerous contract studies, some of which are evaluations of AID programming and others which bear directly on such evaluation. One such proposed contract is a large-scale study of AID world-wide programming from the political science point of view by the Hudson Institute.

6. The Operations Review Committee (ORC). This Committee is composed of senior AID/W staff officials: Mr. Gaud, Deputy Administrator; Mr. Hall, AA/A; Mr. Hutchinson representing the Regional Bureaus; Mr. Waters representing central staff and procurement; and Mr. Hilliard of TCR, representing social and human resources aspects of AID operations. The ORC was established by AID General Notice of August 31, 1964 and is intended as a high-level "bottleneck breaking" operation for the Administrator. This function is suggested by the fact that the ORC is chaired by the AID Deputy Administrator, Mr. Gaud.

Problemsconsidered by the ORC are often staffed out to A/MP for drafting of detailed issue papers. The first two of these "Issue Papers" considered by ORC concerned "Logistic Support for Contractors" and "Prompt Execution of Projects."

7. Office of Management Planning (A/MP). Much of A/MP's work is done on an agency-wide basis. This includes preparing manual orders, devising and improving document flow, and improving contracting procedures, post-analysis of Participating Agency Service Agreements (PASA's. When closely examined, however, this work often has an impact on individual country projects. Thus PASA's are usually concerned with a given project in a given country, while Commodity Procurement Instructions (CPI's) and bilateral program assistance agreements also relate to a given country.

The Management Analysis Division of A/MP (MP/ MGT) also affects individual country projects indirectly but substantially in its management studies of individual missions. Thus USAIDs in South Vietnam, Korea, and Brazil were reorganized after inspection by MP/MGT teams.

The "Draft Management Survey of the USAID Brazil" was a recent example of such a report for the Administrator of 12/8/64. Procedural studies of program reporting by project contractors directly impinge on project efficiency; such studies were completed in Laos and India.

A/MP was also assigned implementation responsibilities for the AID effort to improve project efficiency known as "Prompt Execution of Projects." A/MP reported to the Operations Review Committee (ORC, under the Deputy Administrator (Mr. Gaud) on Regional Bureau compliance with the Administrator's instructions (AIDTO CIRC A-43) and the Deputy Administrator's follow-up message (AIDTO CIRC A-104).

Studies to improve and consolidate mission administrative and logistic functions indirectly affect individual country projects. During the summer of 1965, A/MP teams visited African missions to study the introduction of Combined Administrative Management Organizations (CAMO's). A study of management consolidation opportunities in Latin America was carried out jointly with the Department of State in Nicaragua, Honduras, Mexico, Guatemala, and Venezuela; additional studies are planned.

8. Ad hoc evaluations: In addition to evaluation "built into" the program and implementation processes and evaluation performed by staff units outside the Regional Bureaus, AID conducts evaluation on an ad hoc basis:

a. AID Regional Bureau Teams: The Regional Bureaus occasionally send out senior officials to evaluate country programs. Examples include a team sent to Cambodia under Robert A. Smith, then with the Far East Bureau. Several teams were sent to Latin America and other regions during the "Turnaround" period of 1962. Teams from the Regional Bureaus may assist the missions in the preparation of the annual country program (LAS/CAP).

Regional Bureaus are also authorized to finance and oversee contract evaluations of projects, sectors, or total country programs. The first such evaluation of a total country program is now underway in Taiwan under Professor Neal H. Jacoby. The Jacoby Study will evaluate the U.S. aid effort in Taiwan since 1951 in depth; it is being funded and staffed exclusively (except for Professor Jacoby) by the Far East Region and the Taiwan Mission of AID.

b. Evaluation by Senior AID Officials: The Administrator or his Deputy as well as other senior line officials occasionally visit Missions for what is, in effect, an unstructured evaluation of a country program. This evaluation may consider the whole country program or, more usually, some crucial part. Similar visits are undertaken on occasion by senior officials of the Office of Program Coordination (PC), the Office of Technical Cooperation and Research (TCR), and the Office of Material Resources (MR).

Dr. Chenery, former Assistant Administrator for Program and head of PC, visited India last year and reported on the planning process and capital formation problems there.

B. Outside AID

1. Comprehensive Country Programming System (CCPS)

The CCPS is basically a computer print-out of all Country Team activities by policy goal measured in thousands of man hours and dollars. The policy goal is derived from a National Policy or "Composite" Paper; the measurements are estimates based on mission interviews. In the LA Region, CCPS books have been completed for Argentina and Colombia.

Thus CCPS is not concerned with qualitative judgments at all and in that sense is not really an "evaluation" activity. It does provide a useful management tool for evaluation, however, by giving Mission Directors and project managers an idea of the existing allocation of Country Team resources.

2. Foreign Affairs Information Management Effort (FAIME).

FAIME is a large-scale interagency project with staff support from AID, State, USIA, and ACDA. The main contribution, however, will be made by a management consulting firm, Dunlap and Associates, Inc., which is to carry out Stage I. Execution of Stages II and III, however, will depend upon the successful completion of the crucial Stage I.

Stage I is to last six months and is divided into an Interagency Task (Section A), and an AID Technical Assistance Task (Section B).

Under Section A, Dunlap and Associates, Inc. will examine interagency information requirements for six months. Under Section B, the firm will concurrently "design and develop ... an improved information system for all major aspects of the TA process in AID."

The design of an improved TA management information system would then proceed and be pilot tested, a final report prepared, and the final system installed.

The AID TA management Information system of Section B will really be developed during Stage I and part of Stage II, a total period of about ten months. Other management information system efforts for AID would then presumably follow: "This effort is planned as one of a

series of information systems projects which are aimed at the eventual development of an integrated AID information management system covering all major facets of AID activities."

Obviously evaluation of AID TA criteria is required for successful completion of this ambitious project. At the present time, however, the staffing of the AID task force is just completed and the contractor selected by the Bureau of the Budget. An interim "final paper" on FAIME has therefore been postponed until the project crystalizes. BOB also plans to make a substantial financial contribution from the President's Management Improvement Fund to implement Stage I.

3. Bureau of the Budget (BOB).

This Bureau evaluates AID programs by participating in CAP reviews for each country, if it so desires, and by discussing country programming problems with AID Regional Bureau planning offices and with PC. It also exercises an important evaluation function by discussing with AID officials proposed country programs during its review of the foreign assistance budget to be presented to the Congress.

4. Office of the Inspector General for Foreign Assistance (IGA)

IGA was established by statutory authority, Section 624(d) of the Foreign Assistance Act of 1961, approved September 4, 1961. By statute, it reports directly to the Secretary of State. Both the Inspector General and the Deputy Inspector General are appointed by and with the advice and consent of the Senate, and hold the rank of Assistant Secretary of State.

IGA is a central point outside the operational chain of command for overseeing AID and PL 480 programs, MAP, and the Peace Corps. It carries out reviews, inspections and audits of programs "for the purpose of ascertaining the efficiency and economy of their administration, and consonance with the foreign policy of the United States, and the attainment of their objectives."

Under statutory authority also, IGA may require reports and documents from all Executive Branch agencies conducting these programs and may also suspend projects after written notification to the Secretary of State. This suspension authority, which does not cover MAP projects, applies to any AID or Peace Corps project, and to those portions of the PL 480 program administered by the Secretary.

IGA is staffed by about twenty-three professionals with backgrounds in accounting, engineering, the FBI, the GAO, and auditing. Some are FSOs with an economic background, others are MAP specialists, local currency experts, etc.

Since it came into being, IGA has made inspection trips to about 80 countries. It works normally on a "case" basis, examining programs or projects which seem to be in trouble. Although a portion of IGA's time is spent on matters involving possible malfeasance, the bulk of its effort is concerned with improving the effectiveness of ongoing programs. IGA has recently investigated allegations of overstaffing in AID Missions, non-utilization of commodities, behind-schedule construction projects, duplication in AID and MAP financed telecommunications systems, balance of payments reviews involving the substitution of local currencies for dollar expenditures, and improved use of excess property. IGA reports customarily takes the form of one or two page letters which are sent to the head of the responsible operating agency.

5. General Accounting Office (GAO)

Final paper to be completed later. The GAO makes country studies of both the economic and military assistance programs. These reports are made directly to Congress, as the transmittal letters from the U.S. Comptroller General to the Speaker of the House and the President of the Senate indicate. The reports range from about 40 to about 80 pages and cover a "Synopsis of the AID Program," "Administration of Appropriated Funds," "Administration of Local Currency Funds," "End-Use and Internal Audit Activities," Development Projects," "Technical Exchange Projects," and "Financial Statements." All the reports are classified, and the separate MAP country evaluation studies are usually SECRET. GAO evaluations are part of the "compliance control" category in that they deal with alleged or actual waste, dishonesty, diversion of resources and money, etc. Like the AID Controller (A/CONT) reports, they are chiefly concerned with fiscal and audit aspects of the economic and military assistance programs.

6. Congressional Committees:

A wide variety of Congressional committee studies are conducted. Some of these are reports on legislation, others result from field trips made by important Congressional subcommittees, a few are individual reports by Congressmen or Senators. Some of the more important are listed here for illustrative purposes: Report of the Committee on Foreign Affairs (on the FAA of 1963) 140 pp.; Hearings before the SubCommittee on Interamerican

Economic Relationships of the Joint Economic Committee (492 pp.); Report of the Staff Survey Team of the Subcommittee for Review of the Mutual Security Programs on the Housing Investment Guaranty Program and the Economic AID Program in Panama (24 pp.); Report of the Special Study Mission to Latin America; Peru, Ecuador, Colombia Panama, Costa Rica (66 pp.); Report on Private Investment in Latin America. Subcommittee on Inter-American Economic Relationships of the Joint Economic Committee, Study Mission to South America, Report of Senators McGee, Moss, Engle, and Young to the Committees on Appropriations, Interior and Insular Affairs, Agriculture and Forestry, and Armed Services; Report of Senator Hickenlooper to the Committee on Foreign Relations, Latin America; Report of Senator Mansfield, Latin America and U.S. Policies; Report of a Study of U.S. Foreign Aid in Ten Middle Eastern and African Countries, submitted by Senator Gruening to the Subcommittee on Reorganization and International Organizations of the Committee on Government Operations (472 pp.).

Two other Congressional committee evaluations which have had real impact on our foreign assistance program are the Moss Subcommittee Report on U.S.-Owned Foreign Currencies and the McGee Report on Personnel Administration and Operations of Agency for International Development. The McGee Report led to an extensive self-analysis on the part of AID and to the establishment of AID/OES as well as to a new look at AID headquarters operations and organizational structure.

A new form of report may have been introduced with the dispatch of a mixed team to study the Brazil country program under the leadership of Mr. Paul J. Cotter of the Senate Appropriations Committee (SAC). Mr. Cotter was accompanied by one S.A.C. secretary, one GAO representative, and a representative from AID's MIS. The group is to examine the administration of P.L. 480 in Brazil, local currency accounts, and the implementation of McGee Committee recommendations. Details in AIDTO A-603 of 11/23/64.

## III. Some Evaluation Activities of Related Endeavors.

### A. Export-Import Bank

The Export-Import Bank's approach to the problem of evaluation is primarily project oriented. In reviewing applications for long-term project lending, the Bank plays a role analogous to that of an investment banker. Its staff engineers, economists and loan officers analyze feasibility studies prepared by the applicant or outside consultants. This analysis includes a consideration of:

(a) Overall policies: consistency with U.S. foreign and monetary policy; the Bank's exposure in the country; the relation of the project to other possibilities for Bank financing.

(b) The country's position: the legal setting; monetary framework; external debt structure and repayment capacity; development plan or program; attitude toward private investment.

(c) The investment proposal itself: normal banker's appraisal of technical, economic, financial and engineering feasibility.

The Bank does not normally attempt to evaluate alternative projects in terms of their potential contributions to economic development; i.e., it is concerned with the selection of "good" rather than "best" projects. Nor does the Bank "program" in the formal sense of establishing firm country quotas, although the Bank's management does have informal views on the country disposition of its loans. The primary concern at this level is the Bank's total exposure in a given country.

Loan agreements establish conditions precedent to disbursement and also stipulate reporting requirements. The implementation of project loans is monitored by the Bank's staff through a review of periodic reports supplemented by on-site inspections.

B. Peace Corps Office of Planning, Evaluation, and Research (PE&R).

PE&R is one of five coordinate offices reporting to the Director of the Peace Corps, Mr. Shriver. It is responsible for implementation of evaluation, planning, and research in the Peace Corps. In addition to an Associate and Deputy Associate Director, PE&R has Evaluation, Planning, Special Projects, and Research Divisions. The Director of the Evaluation Division (PE&R/E) was Mr. William Haddad, formerly with the New York Post. It is now Mr. Charles G. Peters, Jr., and is still staffed largely by persons with press backgrounds chosen for their writing skills owing to Mr. Shriver's view that reports to be effective must be well written.

The evaluation function was built into the Peace Corps organization at the very beginning some four years ago to forestall media and Congressional criticism. Thus the first evaluations could only assess training of Peace Corps volunteers (PCVs). Evaluations now include PCV work abroad, and are prepared by one PE&R/E officer within four to eight weeks depending on the scale of country operations. This period includes from two to five weeks drafting the reports. The result is an evaluation report of about

75 double-spaced pages of large type. All past records have been classified Limited Official Use, but unclassified versions of future reports are planned for public distribution. To date no reports have been made available to Congress on either a formal or informal basis because Congressional committees have never requested them, according to Dr. Joseph G. Colmen, Deputy Director of PE&R. One PE&R/E representative tries to visit each country once a year, to complete an "interim" evaluation report on each project. Implementation reports by line program offices are due 30 days after completion of these evaluation reports, and PE&R has responsibility for making sure that its recommendations are carried out.

Peace Corps projects are programmed to individual PCV tours of duty and thus last two years (unless renewed). At the end of the project and his tour of duty, each PCV participates in the "Completion of Service Conference" which lasts two days. On the first day each PCV assigned to the project fills out a questionnaire based on a standard checklist of questions. An officer of the Division of Volunteer Support (PCV/VS) from Washington plus a second Peace Corps staff officer either from Washington or a third country then compile the questionnaires. The second day of the Conference is devoted to a round-table discussion with all PCV's assigned to the project. A composite "Report of Completion of Service Conference" is then drafted which recommends improvements and continuance or termination of the project.

Evaluation research is conducted by PE&R's Research Division (PE&R/RES). A "grid" or matrix has been prepared listing Peace Corps functions (Health, Teaching, Community Development) across the top, and regions (Far East, Latin America, etc.) up the side. PE&R/RES then selects a contract team of qualified social scientists to study one project in each function in each region. Thus one health project in each of the four Peace Corps regions has an independent research component attached. The research scientists consult with the project operators but are strictly independent. It appears that some difficulty has been experienced in convincing these operators (the Peace Corps Representative and his staff and various Washington staff) of the value of such non-operational scientific research. Nevertheless this system permits careful long-range scientific studies which also have the advantage of post-project evaluation to see if the project has taken root after the last PCV has left. This research program is about three years old having been established about a year after the evaluation program.

Audits of Peace Corps projects were formerly conducted by the PE&R Inspector General; they are now carried out by the Management Office which is a unit coordinate with PE&R.

C. Ford and Rockefeller Foundations.

The two major U.S. foundations with substantial international programs, Ford and Rockefeller, use a variety of techniques to evaluate the effectiveness of their activities. Many of these techniques and the criteria underlying them are similar to those used by AID.

In evaluating individual programs or projects, particular attention is focused on the stages at which the foundation's leverage is greatest: the "pre-commitment" stage and during the review of applications for grant renewal. Detailed discussions between foundation staff and a prospective grantee normally precede the submission of a formal application for assistance. In the course of these discussions, substantial agreement is reached at both the field and headquarters levels as to the value of the proposed activity and the intended course of action. By the time the formal request is received, approval is virtually assured.

The terms of the grant agreement require periodic and terminal reports by the grantee. These reports are supplemented by informal contacts between foundation staff and the grantee, by reports from foundation field staff, and by periodic visits by headquarters personnel. In certain instances, specific provision is made for evaluation by project personnel, including the collection of baseline data and subsequent checks against these data. In other instances, the foundations undertake studies of individual projects to codify experience which might have applicability elsewhere. Ford and Rockefeller also use independent consultants to evaluate their activities, particularly when considering requests for further assistance. The Ford Foundation's Office of Policy and Planning has recently been given overall responsibility for evaluation and is considering ways of carrying out this function.

D. The World Bank Family.

The following notes deal primarily with the IBRD; much of the material is also relevant to IDA, and to a lesser extent to IFC.

The Bank's processing of a loan request generally begins with exploratory discussions and preliminary investigations to review the economic situation and prospects of the borrowing country as well as the relation of the project under consideration to sector and national development needs. A more technical and detailed analysis is then made of the engineering, financial, and other aspects of the project, and of the appropriate conditions for a loan. In conducting these investigations, the

Bank relies on information available at its headquarters as well as on visits by Bank missions to the borrowing country. Independent consultants are often members of these missions.

The investigation phases are followed by formal negotiations with the borrowing country. When agreement has been reached on the project and on the terms and conditions of the loan, the loan and guarantee agreements are presented to the Bank's Executive Directors for their approval.

The implementation of the loan includes disbursement and servicing, a continuing scrutiny of the construction and later the operations of the project, and a continuing review of the economic and financial conditions of the borrower and of the country in which the project is located. The monitoring of these various aspects continues until the loan is repaid. Project progress reports and general economic and financial reports are required of the borrower and the government concerned. These reports are supplemented by periodic visits of the Bank's staff.

Since the Bank's resources have proved more than adequate to support "sound and bankable projects in credit worthy countries," it has not had to face squarely the problem of country allocation. The Bank has, however, been sensitive to the criticism that more than 70% of its investments have been concentrated among fifteen countries. It has attempted to meet this problem, not by relaxing its criteria for project selection, but by providing assistance to other borrowing countries in development planning and project appraisal, and by broadening its lending operations to include sectors (e.g., agriculture and education) other than those (i.e., power, industry and transport ) in which the Bank has traditionally been active.

IDA, on the other hand, is making a conscious effort to assure wide geographic distribution of its development credits, taking into account the priority to be given poorer countries. It has also set limits on credits to some countries to prevent their absorbing a disproportionate share of IDA resources.

As a leader, member, and observer in various consortia, consultative groups, and regional organizations such as CIAP, the Bank is increasingly involved in a multilateral evaluation of country performance. The Bank's recognized competence, its substantial resources, and its international character (i.e., relative freedom from national non-economic considerations) all serve to increase its leverage in this kind of evaluation. The Bank takes a positive approach to its de facto responsibilities as the leading international lender by, for example, sending teams to make

exhaustive reviews of the economic conditions and related policies of borrowing countries.

E. United Nations and the Specialized Agencies.

The UN and the Specialized Agencies carry on technical assistance programs in over one hundred countries and territories. The interest of the member states and of the UN system itself in evaluating these activities has been reflected in a number of resolutions, conferences, papers and reports.

The UN Economic and Social Council has differentiated between three types of evaluations: (1) efficiency of management and operations; (2) technical soundness of programs and the methods employed; and (3) overall impact of the combined programs of the UN system on the economic and social development of the recipient countries. The operational and "technical" evaluations are considered to be the responsibility of the implementing agencies.

In conducting these two types of evaluations, various techniques have been employed: official missions to review projects; periodic reports by experts and headquarters' comments on these reports; an overall assessment of country projects for the determination of priorities at the time of programming; mid-year and end-of-year reports for Special Fund projects; selected follow-up studies on participant trainees; and regional meetings with the chiefs of projects. Special management surveys have also been made to assess the efficiency of operations, staffing, administrative procedures and financial controls.

To measure the overall impact of its technical assistance activities, the UN is now planning for the first time a series of pilot studies in selected countries. The UN's project as versus country programming approach and the small proportion of its contribution to the total development effort in a given country, make this kind of evaluation most difficult. The recent UN Special Fund report on the volume of investment stimulated by its preinvestment surveys is another approach to the problem of overall evaluation.

F. Organization for Economic Cooperation and Development, Development Assistance Committee (OECD/DAC)

DAC was established in 1960 to assist the development of the less developed countries by increasing the volume of assistance provided by its member states and improving overall efficiency by closer coordination

of aid efforts and policies. An Annual Review is conducted to examine the results and effectiveness of the different bilateral aid programs and to provide guidance for improvement. These reviews are provided with statistical tabulations of financial flows and studies on special problems such as aid tying and assistance terms.

The DAC is also concerned with promoting the coordination of aid programs in recipient countries or regions where a number of member states are involved (e.g., Greek and Turkish consortia). In addition, a number of meetings and working parties have been sponsored on such matters as: the methodology of quantitative analysis of aid requirements, factors affecting the supply of assistance, and the requirements for and supply of technical assistance. The terms of reference of the working party on technical assistance include an examination of the need for a closer link between capital and technical assistance.

G. Inter-American Development Bank (IDB)

The operations of the IDB are somewhat analogous to those of the IBRD and IDA. With its ordinary capital resources the IDB makes loans to finance development projects. These loans are repayable in the currency in which they are made. They normally cover foreign exchange costs. Loans from the Fund for Special Operations are made on more liberal terms, are usually repayable in the currency of the borrower, and are for projects for which financing from the Bank's ordinary resources is not available. The bank also administers the Social Progress Trust Fund for the U.S. Government. Loans from this source are made on a basis similar to those from the Fund for Special Operations. It is now planned to combine these two Funds into one "soft loan" operation.

Requests for IDB assistance are evaluated in terms of various statutory and operational criteria. These include the relationship of the activity to sector and national development programs, and the activity's engineering, technical, financial and managerial feasibility. In administering the Social Progress Trust Fund, the Bank has been guided by certain "Basic considerations for the Evaluation and Selection of Projects in the Fields of Land Settlement and Improved Land Use, Housing, Sanitation, and Education," as defined by the U.S. Government.

Loan implementation is monitored by periodic reports from the borrower and on-site inspections by Bank staff. Having started operations in late 1960, the IDB has only a limited basis for evaluation in terms of performance or results.

## H. Inter-American Committee for the Alliance for Progress (CIAP)

CIAP was established in November 1963 to implement the Alliance for Progress as a cooperative development effort rather than as a U.S. aid program. Its principal functions are (a) to review continuously Latin America's own efforts to achieve the objectives of the Alliance and (b) to make proposals regarding the application of both internal and external resources to further the objectives of the Alliance. The U.S. has agreed to give "special attention" to the recommendations of the Committee. The Export-Import Bank, IBRD, IDB and IMF participate in the country review sessions.

The CIAP review sessions, based on an analysis of each country's development plan and programs by the Panel of Nine and the CIAP Secretariat, are intended to ascertain what actions have been taken to bring about needed internal reforms, to improve administrative practices, and to adopt financial and economic policies conducive to achieving the goals of the Alliance.

Particular attention is paid to steps taken to improve development planning, the preparation and execution of projects, borrowing practices and controls over investment, and the incurring of external debt.

## ANNEX B

## AID Programming and Implementation Processes

### I. Programming Cycle.

The annual programming cycle begins in April with the issuance by AID/W of general guidance for the preparation of the budget year's Long-Range Assistance Strategy (LAS) or, for countries for which an LAS is not prepared, Country Assistance Program (CAP). The LAS/CAP system calls for a comprehensive analysis by the mission of "the potential, problems, and program for development in the host country and identifies the goals, level, emphasis and techniques of assistance and the corollary U. S. actions and policies best suited to promote our economic, social and political objectives within the country." In preparing the LAS/CAP the mission may be assisted by a special team from AID/W.

Parts I and II of the LAS/CAP ("Framework for AID Strategy" and "U.S. Assistance Strategy") are normally submitted in July of the year preceding the year of authorization/obligation. This submission provides the basis for the Agency's funding request to the Bureau of the Budget and for the President's annual budget message to Congress. Part III of the LAS/CAP, containing the Goal Plans and detailed Activity Descriptions, follows in October.

The LAS/CAP submissions are reviewed by the regional bureaus, staff offices and the Administrator during October-December. Following completion of these reviews the Congressional Presentation is prepared and submitted (February), using the information contained in the annual LAS/CAP submissions as modified during the AID/W review. Comments on the LAS/CAP submissions and supplemental guidance for the approaching fiscal year's program are sent by AID/W to the field in the spring.

Immediately preceding the beginning of the new fiscal year, the missions are informed by the regional bureaus of those technical assistance projects (a) approved in substance, subject



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to the availability of funds, (b) disapproved, and (c) those requiring additional justification.

At the beginning of the new fiscal year the initial Operational Year Budget (OYB) is prepared by the Program Coordination Staff (PC), reviewed by the regional bureaus and staff offices, and approved by the Administrator. The OYB contains the tentative planning levels by country and funding category. It constitutes authority for the regional bureaus to proceed with the issuance to the field of the documents authorizing the obligation of funds. From July until the appropriations legislation is passed, the OYB is limited to funds available under Continuing Resolution authority. During this period funds are allotted to the missions to cover the costs of approved projects and the continuing costs of projects still under discussion so as to cover as fully as possible th Missions' indicated possibilities for early obligation.

Firm funding levels and full allotments for all approved projects are made as soon as possible after Congressional appropriations action is completed, say in October. Programs not approved prior to Congressional action are reviewed again during the consideration in AID/W of the up-dated LAS/CAP submissions for the subsequent fiscal year Further refinements may be made thereafter on an individual project basis as additonal justification is received from the field.

As mentioned above, the OYB constitutes authority for the regional bureaus to proceed with the preparation and approval of the authorizing documents appropriate for each form of assistance.

## II. Program Assistance

Within the planning levels approved in the OYB, funds for each "Program Assistance Activity" are approved (authorized) by the regional Assistant Administrator, or in certain cases by the Administrator, through the issuance of a Program Assistance Approval Document (PAAD).



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The PAAD is prepared by the regional bureau to cover a specified amount of one of the three external resource categories of program assistance (AID commodity program assistance, PL 480 program assistance, or cash transfers). Local currency for budget support is approved by the Mission Director within limits authorized by the regional bureau. The mission document corresponding to the PAAD is called the "Release Authorization."

The Program Assistance Agreement is negotiated on the basis of the approved PAAD, and constitutes the obligating document for AID Commodity Program Assistance and cash transfers. Similar documents are used for PL 480 and local currency program assistance.

Implementation procedures vary with the form of program assistance and the method of financing. The utilization of program assistance is monitored through various fiscal, accounting and statistical reports. Special reports are not normally required for progress evaluation of program assistance as a whole. Analyses of its effectiveness in achieving U.S. objectives is included in succeeding LAS/CAP revisions, and is evaluated as part of the regular program review process. There has been a trend, however, toward requiring specific performance by the recipient government, either as a condition for significant aid commitments or for the release of individual tranches of a program loan. In these cases there may be provision for periodic "evaluation" of self-help performance in addition to the annual program review.

III. Capital Assistance.

Within the planning levels established in the OYB the review and approval of individual loan application involves three steps. A preliminary review is undertaken by the missions to determine if an application warrants detailed examination in the light of overall U.S. strategy. Assuming such an examination is warranted, the mission submits to the regional bureau a request for intensive review (IRR). If approved by the regional Assistant Administrator, the intensive review is undertaken either in the field or in AID/W by a Capital Assistance Committee. This Committee examines in depth the technical, economic and financial details of the proposed activity and records its findings in a Capital Assistance Paper. The paper is then reviewed by the mission, regional bureau concerned, and by the Offices of Development Finance and Private Enterprise (DFPE) and Program Coordination (PC). Depending on the amount and type of U.S. financing and other issues involved, the paper may also be reviewed by the Development Loan Staff Committee, the Development Loan Committee and the Administrator prior to signature of the Capital Assistant Authorization. All loans require, in addition, clearance by the National Advisory Council on International Monetary and Financial Problems.



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The Capital Assistance Authorization constitutes direction to the Capital Assistance Committee to prepare the Capital Assistance Agreement and implementation letter. The latter contains (a) conditions precedent to disbursement, (b) procedures to be followed in accomplishing the purpose of the activity, and (c) documents and reports to be furnished by the borrower or grantee. When cleared by the regional Assistant Administrator, the draft Agreement and Letter are sent to the borrower/grantee for negotiation. The Agreement is normally executed in the field under authority delegated by the regional Assistant Administrator to the Mission Director or Ambassador.

The implementation of capital assistance projects is monitored through audits, reviews and on-site inspections. These methods provide information to compare the timing and substance of the actions taken against the original plans.

IV. Technical Assistance.

The AID/W review and approval process for technical assistance projects begins with the annual program submission (LAS/CAP) from the mission, followed by advice of AID/W substantive approval, and ends with the notification to the mission of project approval and the allotment of funds.

The AID/W review process may be conducted either under informal regional bureau procedures or through hearings for selected projects which warrant more formal consideration by the regional Assistant Administrator and in some cases by the Administrator.

The basis for the review is the information contained in the Activity Description ("E-1"), the Goal Plan, and the CAP/LAS. In reviewing individual projects consideration is given to the justification, targets, adequacy and thoroughness of planning, feasibility of proposed implementation methods, and realism of proposed funding.

Substantive approvals are sent to the field in the last quarter of the fiscal year prior to the year of obligation, or as soon thereafter as possible. Beginning in July formal approvals are issued by the Regional Assistant Administrator or, in specified cases, by the Administrator in the form of the Implementation Approval Document (IAD). Projects continue to be approved on an individual basis during the fiscal year. Those not approved under Continuing Resolution authority are reviewed again during consideration of the budget year's LAS/CAP submission.

Implementation of technical assistance projects normally begin with the annual signing of bilateral Project Agreements, and includes the issuance of implementation orders for goods and services. Responsibility for the

preparation and signature of Project Agreements and implementing orders usually rests with the missions.

Progress reporting is required in three forms: (1) on action steps through the "Course of Action" and "Progress to Date" sections of the Activity Descriptions submitted as part of the annual LAS/CAP; (2) on action steps through periodic reports to the regional bureaus, now required as part of the emphasis on prompt implementation of approved projects; and (3) on program accomplishments through the technical assistance Project History and Analysis Report (PHAR).

PHARs are required for each project at three-year intervals. They are designed to permit an evaluation of the validity of the judgments which led to approval of the project, the effectiveness of U.S. and country performance, and the overall usefulness of the project in terms of current U.S. objectives. Evaluative judgments are also called for in the Project Completion Report which is required at the end of each technical assistance project.

## V. Sets of Criteria

The formal standards or criteria - legislative, policy and administrative - governing Agency operations are found in the AID Manual, Policy Determinations, General Notices, and messages from the Administrator and Regional Assistant Administrators.

These sources provide innumerable explicit criteria for inter alia, the evaluation of host country performance, program vs. project assistance, multi-year commitments, local cost financing, short-term balance of payments financing, the various assistance instruments (loans, grants, Supporting Assistance, Contingency Fund), special programs and policies, the major forms of assistance (program, capital, technical ), and the planning, review and approval, and implementation of individual programs and projects.

In some cases the criteria are very detailed. The checklist of statutory criteria for development loans, for example, contains 45 items. In other cases there is a recognized need for greater specificity as in criteria for measuring host country performance. There are still other areas for which explicit criteria are lacking. For example, there are no M.O.'s on the following: regionalism, population control, goal plans, technical assistance (TA) implementation methods; techniques for the evaluation, synthesis and dissemination of TA reports, sector and multi-sector guidance, and "Evaluation." These M.O.'s were to be prepared as part of the follow-up to the Implementation Project which ended in October, 1963. They have not yet been issued.

There are also instances in which the criteria are stated but techniques for applying them are not. The Manual Orders emphasize, for example, that "the process of developing, selecting and/or evaluating specific projects should normally do more than determine that they are technically sound and useful; it should, to the extent possible, determine that the projects chosen are the most economical and efficient feasible alternatives for producing the desired results." (M.O. 1099.1). Yet M.O. 1024.1 dealing with overall objectives and specific projects, goal plans, sector analysis, productivity criteria, and related techniques has not yet been issued.

Even if detailed guidance of this type were available, the Agency's efforts to select the "best" projects would be limited by other factors. These include inadequate planning capability in the recipient government, scarcity of alternative projects available for comparative pruposes, pressures of time, shifts of personnel, and lack of trained mission staff.

There are, moreover, a number of unstated or implicit criteria which have a direct bearing on Agency operations: e.g., pressing suggestions from sources external to the Agency, support of political objectives in the country concerned, competence of available mission personnel, and degree of commitment and competence of the pertinent ministries of the host country.

EXECUTIVE STAFF

AGENCY FOR INTERNATIONAL DEVELOPMENT
EXECUTIVE SECRETARIAT

**ANNEX E**

July 1, 1965

MEMORANDUM FOR EXECUTIVE STAFF AND MISSION DIRECTORS

Attached is (1) a Summary of Evaluation Operations Reported by AID/W Staff Offices and Regional Bureaus, and (2) a covering Information Memorandum from Colonel George A. Lincoln, Special Advisor to the Administrator.

Donald S. Brown
Executive Secretary

Attachments a/s

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DEPARTMENT OF STATE

DRAFTED: 6/24/65

INITIALED: 6/28/65

INFORMATION MEMORANDUM FOR THE ADMINISTRATOR

THROUGH: EXSEC

SUBJECT: Summary of Evaluation Operations Reported by AID/W Staff Offices and Regional Bureaus

In a recent memorandum you asked AID/W staff offices and regional bureaus to submit a general description of their current evaluation efforts underway or completed in the past year. Attached is a summary of the replies received.

171 individual evaluation operations were reported. No estimate of total $ or manpower costs is feasible due to the large number of efforts carried out routinely by organizational units. However, $6.7 million was reported as having been obligated for contract services, including $3.9 million for centrally-funded research contracts administered by the Office of Research and Analysis in TCR.

The replies correspond generally to the results of our earlier draft Inventory of Past and Present Evaluation Efforts, while adding several important items to that Inventory. They also raise a number of subjects for further study in connection with our continuing look at systems of evaluation and sets of criteria. Specifically:

1. The range of activities reported clearly indicates that there is no generally accepted, limited definition of "evaluation" existent in the Agency. In a significant number of cases the term was applied to efforts indistinguishable from the usual appraisals integral to making administrative decisions. Any attempt to increase emphasis on evaluation is likely to founder unless we can define more precisely at the outset what it is we are talking about.

2. The replies also make clear the extent to which AID/W (the regional bureaus and Program Coordination Staff, in particular) view the program review and approval process as the appropriate vehicle for evaluation. As you know, I have reservations about relying primarily on the programming process for evaluation. These reservations have now extended to a tentative conclusion that your objectives in the evaluation area cannot be achieved until the establishment of AID accepts the point that evaluation needs to be dealt with as a separate, although related, operation from programming and implementation.

3. There seems to be little research underway on the "how to do it" aspects of the evaluation problem. The replies identified only three efforts directed specifically to this subject.

gb

4. There is no indication in the replies of any systematic effort, in existence or being planned, to classify, store and disseminate evaluation results. There are studies underway on the general question of overall information, management and also on the problem of acquiring and handling reports needed for adequate top management control in AID. I conclude that these studies are peripheral to the evaluation problem and that waiting for their outcome merely delays action on construction of an essential truss in any comprehensive evaluation system. I believe we should move ahead, without waiting for the broader studies, on devising an administrative system for knowing what is available in AID in the area of evaluation and for making these resources available to those who need and can use such resources.

G. A. Lincoln

G. A. Lincoln
Special Advisor to the Administrator

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6/22/65

# SUMMARY OF EVALUATION OPERATIONS CONDUCTED BY AID/W STAFF OFFICES AND REGIONAL BUREAUS

## General

1. In a memorandum dated April 19, 1965 the Administrator requested AID/W Staff Offices and Regional Bureaus to submit a general description of their current evaluation activities together with specific information on each evaluation effort underway or completed in the past year.

2. Replies were received from the four regional bureaus, ten program offices and staffs, and eight management staff offices. 171 individual evaluation efforts were identified -- 140 by the regional bureaus (75) and program offices (65), the remainder (30) by the management staff offices.

3. Attached is a very rough statistical summary of the replies classified by objective, unit of analysis, frequency, and technique. The resulting pattern appears consistent with the nature and responsibilities of the reporting units. A majority of the efforts of the regional bureaus involved evaluations of individual projects or programs for the primary purpose of improving those projects or programs, and were carried out on a one-time basis using primarily in-house personnel. The efforts of the program offices were more concerned with policies and procedures of general applicability. These offices carried out fewer evaluations on a periodic basis and made somewhat greater use of contract personnel. In the case of the management offices the replies suggest a focus on one-time, in-house studies of administrative, management or organizational problems.

4. There were three reported studies expressly concerned with the problem of how to evaluate aid activities (i.e., a Johns Hopkins study of critical aid related factors and methods of measuring their impact; a University of Michigan contract on planning and evaluating community development activities which includes the preparation of a manual for the study of social change; and the draft Handbook on the Evaluation of Project Level Assistance, prepared by TCR/RA).

5. No estimate of total $ or manpower costs is practicable due to the large number of efforts carried out routinely by organizational units. $6.7 million was reported as having been obligated for contract services, including $3.9 million for centrally-funded research contracts administered by the Office of Research & Analysis in TCR.

## Meaning of "Evaluation"

6. The Administrator's memorandum requested information on evaluation activities "in both the area of program execution and also of progress toward fundamental U.S. objectives." No further attempt to define "evaluation" was made.

7. The range of activities reported clearly indicates the absence of a generally accepted definition of "evaluation" other than in the dictionary sense of "to determine or fix the value of" or "to examine and judge." The following examples suggest the types of efforts labelled "evaluation":

"Assessment of the Usefulness of National Policy Papers"

"Survey of Afghanistan's Ministry of Justice"

"Assessment of Motor Vehicles in ___ Missions"

"Monthly Evaluation of Contract Office Performance"

8. In a significant number of cases the term "evaluation" was applied to efforts indistinguishable from the usual appraisals integral to making administrative decisions. From a time perspective, the activities covered the spectrum from retrospective appraisals of past performance to prospective assessments of alternative courses of action.

Objectives

9. The evaluation efforts reported can be grouped, by purpose or objective, in two general categories: (a) those in which a particular aspect or activity was evaluated for the primary purpose of improving that aspect or activity (e.g., "Evaluation of Crop and Livestock Development Project" in Kenya or "Evaluation of Participant Training" in Sudan); and (b) those in which programs, policies or techniques were assessed to develop standards or criteria against which future activities could be programmed or evaluated (e.g., "An Appraisal of the Administration of Technical Assistance").

Unit of Analysis

10. The subjects evaluated covered a wide range of Agency activity:

(a) Projects, sectors, country programs - on a country, regional and global basis;
(b) Forms of assistance - Program, Capital, Technical;
(c) Methods of financing - loan, grant, PL 480, local currency;
(d) Administrative, managerial and organizational aspects.

Frequency

11. The bulk of the efforts reported were performed on an ad hoc or one-time basis. A problem was identified and a group or individual assigned the responsibility of conducting an analysis and making recommendations. A minority of efforts were performed on a periodic basis.

12. In this latter connection, two regional bureaus and the Program Coordination Staff emphasized evaluation performed as an integral part of the programming process. One bureau reported that:

> "...we plan to undertake more systematic evaluation as part of the regular programming process... . We have urged the USAIDs that the annual Country Assistance Program submission should be considered an evaluative, as well as a programming document, and we have sought, by instruction and exhortation, to systematize our efforts in this area... . Our guidance to the USAIDs on the preparation of the FY 1967 E-1s will emphasize our interest in seeing them used as evaluational as well as program proposing documents."

All four bureaus listed as evaluation efforts one or more of the following: CAP Guidance Letters, CAP Reviews, Country Assistance Strategy Statements, National Policy Papers and the Congressional Presentation. Several also listed their review procedures for new technical assistance and capital projects.

13. There were three reported instances of systematic evaluation "built into" a project or program (i.e., Joint US/THAI Evaluation of the Accelerated Rural Development Program in Northeast Thailand, the joint AID/WHO Evaluation of the Malaria Eradication Program, and the evaluation of University of Loyola Training Courses.)

Method

14. The replies indicate a substantial use of outside consultants and contractors, particularly by the Regional Bureaus and Program Offices, although there were wide variations within each of these groups.

15. One approach to evaluation of potential interest in other countries and regions is the Research and Evaluation Staff in USAID Thailand. Positions have been established for an anthropologist, an economist and a political scientist. This staff is expected to provide the Mission with an in-house capability to undertake research on operational, program and policy questions.

Distribution of Results

16. The distribution of the evaluation results did not appear to follow any particular pattern. In almost every case distribution was determined on an ad hoc basis by the office sponsoring the evaluation, that is, copies of reports were sent to "appropriate parties" or "all concerned." The actual recipients in each case depended on the nature and contents of the report, and the purpose for which the evaluation was carried out.

Implementation of Results

17. Similarly, if and how the results of the evaluation efforts were implemented depended upon the activity evaluated and the nature of the recommendations. In some instances the evaluation resulted in specific recommendations on which immediate action was taken. In other cases the results added to the general body of knowledge about the subject evaluated, with implementation to be reflected, if at all, in subsequent programming decisions. In still other cases the evaluation results "opened avenues for further inquiry."

PFGeithner:mcs:A/AID

6/22/65

## SUMMARY OF EVALUATION OPERATIONS CONDUCTED BY AID/W STAFF OFFICES AND REGIONAL BUREAUS DURING THE PAST YEAR

| Classification/Office | Regional Bureaus | Program Staff Offices | Management Staff Offices | Total |
|---|---|---|---|---|
| **By Objective** | | | | |
| To improve unit evaluated | 54 | 18 | 9 | 81 |
| To develop improved guidelines | 21 | 48 | 21 | 90 |
| **By Unit of Analysis** | | | | |
| Program element | 56 | 34 | 5 | 95 |
| Administrative aspect | 19 | 32 | 25 | 76 |
| **By Frequency** | | | | |
| Periodic | 13 | 3 | 6 | 22 |
| One-time | 62 | 63 | 24 | 149 |
| **By Method** | | | | |
| In-house | 52 | 42 | 27 | 121 |
| Contract | 23 | 24 | 3 | 50 |
| TOTAL | 75 | 66 | 30 | 171 |

Note: This table is intended to provide only a very rough statistical summary of the evaluation operations reported. The replies did not, in a number of cases, lend themselves to a more precise classification or comparison.

6/22/65

## SUMMARY OF EVALUATION OPERATIONS CONDUCTED BY REGIONAL BUREAUS DURING THE PAST YEAR

| Classification/Office | REGIONAL BUREAUS ARA/LA | AFR | NESA | FE | TOTAL |
|---|---|---|---|---|---|
| **By Objective** | | | | | |
| To improve unit evaluated | 15 | 11 | 12 | 16 | 54 |
| To develop improved guide-lines | 6 | 3 | 1 | 11 | 21 |
| **By Unit of Analysis** | | | | | |
| Program element | 7 | 14 | 13 | 22 | 56 |
| Administrative aspect | 14 | - | - | 5 | 19 |
| **By Frequency** | | | | | |
| Periodic | 3 | - | 3 | 7 | 13 |
| One-time | 18 | 14 | 10 | 20 | 62 |
| **By Method** | | | | | |
| In-house | 18 | 2 | 8 | 24 | 52 |
| Contract | 3 | 12 | 5 | 3 | 23 |
| TOTAL | 21 | 14 | 13 | 27 | 75 |

Note: This table is intended to provide only a very rough statistical summary of the evaluation operations reported. The replies did not, in a number of cases, lend themselves to a more precise classification or comparison.

6/22/65

## SUMMARY OF EVALUATION OPERATIONS CONDUCTED BY AID/W PROGRAM STAFF OFFICES DURING THE PAST YEAR

| Classification/Office | PROGRAM STAFF OFFICES | | | | | | | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|
| | PC | TCR | TCR/RA | OPS | DFPE | LAB | MR | ENG | |
| **By Objective** | | | | | | | | | |
| To improve unit evaluated | - | 7 | - | 6 | - | 1 | 4 | - | 18 |
| To develop improved guidelines | 15 | 10 | 13 | - | 1 | 1 | 6 | 2 | 48 |
| **By Unit of Analysis** | | | | | | | | | |
| Program element | 6 | 12 | 5 | 3 | 1 | 2 | 3 | 2 | 34 |
| Administrative aspect | 9 | 5 | 8 | 3 | - | - | 7 | - | 32 |
| **By Frequency** | | | | | | | | | |
| Periodic | 1 | 1 | - | - | - | - | 1 | - | 3 |
| One-time | 14 | 16 | 13 | 6 | 1 | 2 | 9 | 2 | 63 |
| **By Method** | | | | | | | | | |
| In-house | 12 | 7 | 3 | 6 | - | 2 | 10 | 2 | 42 |
| Contract | 3 | 10 | 10 | - | 1 | - | - | - | 24 |
| TOTAL | 15 | 17 | 13 | 6 | 1 | 2 | 10 | 2 | 66 |

Note: This table is intended to provide a very rough statistical summary of the evaluation operations reported. The replies did not, in a number of cases, lend themselves to a more precise classification or comparison.

6/22/65

## SUMMARY OF EVALUATION OPERATIONS CONDUCTED BY AID/W MANAGEMENT STAFF OFFICES DURING THE PAST YEAR

| Classification/Office | MANAGEMENT STAFF OFFICES | | | | | | | | TOTAL |
|---|---|---|---|---|---|---|---|---|---|
| | GSD | CONT | MP | SRD | IT | MIS | AA/A | PA | |
| **By Objective** | | | | | | | | | |
| To improve unit evaluated | 2 | 3 | - | 1 | - | 3 | - | Not Quantified | 9 |
| To develop improved guidelines | 6 | 9 | 2 | - | 1 | - | 3 | | 20 |
| **By Unit of Analysis** | | | | | | | | | |
| Program element | - | 2 | - | 1 | 1 | 1 | - | | 5 |
| Administrative aspect | 8 | 10 | 2 | - | - | 2 | 3 | | 25 |
| **By Frequency** | | | | | | | | | |
| Periodic | - | 3 | 2 | 1 | - | - | - | | 6 |
| One-time | 8 | 9 | - | - | 1 | 3 | 3 | | 24 |
| **By Method** | | | | | | | | | |
| In-house | 8 | 10 | 2 | 1 | - | 3 | 3 | | 27 |
| Contract | - | 2 | - | - | 1 | - | - | | 3 |
| TOTAL | 8 | 12 | 2 | 1 | 1 | 3 | 3 | | 30 |

Note: This table is intended to provide a very rough statistical summary of the evaluation operations reported. The replies did not, in a number of cases, lend themselves to a more precise classification or comparison.

**ANNEX F**

DISCUSSION AGENDA FOR

SEMINAR ON AID PROGRAM EVALUATION

1:50 P.M., April 6, 1965

Boardroom (Room 5951 NS)

BACKGROUND PAPER: Foreign Assistance Evaluation Efforts - Past and Present

1. Definitions of Evaluation (Perhaps best defined firmly at end of discussion)

2. Evaluation by categories of objectives

   a. Compliance (not included in this study)

   b. Performance (Improved Program Execution and Improved Programming)

      (1) Relationship to management problems

   c. Furtherance of fundamental U.S. bbjectives (by country, region, overall)

   d. Evaluation research (applicable to a, b & c)

3. Objectives of AID Evaluation categorized by organizational needs

   a. Country Mission

   b. Regional bureau

   c. Staff divisions

   d. Office of the Administrator

4. History of Evaluation Program of AID (Comparison between 1958 and today)

5. The Assistance Unit to be Evaluated - project, sector, country program, techniques and methods (e.g., contracting, regional sectors, and others)

6. The Component Parts of an Evaluation System

a. Policy

b. An organizational structure and management arrangements (methods and techniques) compatible with (1) objectives; (2) other AID operations and organization.

c. Clearly defined objectives for each evaluation effort.

d. An inventory of information about the activity or process evaluated, and about similar activities, on which to base judgments and suggestions.

e. A feedback system for (1) applying evaluation results by specific changes in operations and program. ("follow-up") and (2) making the information and conclusions available to likely present and future users in AID organization.*

f. Standard and criteria

g. Personnel system

*/ This topic obviously opens up such questions as data control and processing in AID, and the proper contribution of research conducted on materials provided by the evaluation process.

The topic should first, however, be approached from such directions as specific and immediate implementation of evaluation conclusions, and transference of experience and conclusions within a region where there is a considerable commonality of conditions and needs.

**ANNEX G**

Draft
12 April 1965

# NOTES ON THE PROBLEM OF INCREASED EMPHASIS ON EVALUATION IN AID

## General

1. The first point to be made is that there is no overriding requirement, such as a legislative injunction, for increased emphasis on evaluation in AID. The Administrator has open to him three alternatives:

a. Do nothing additional;

b. Make a few fairly painless formal shifts such as creating a small evaluation policy staff section at the top level, urging regional administrators to undertake some bits of sectoral evaluation, urge some systematic analysis of the massive number of reports such as the three-year Technical Assistance Project History and Analysis Reports, etc.;

c. Undertake a comprehensive program to get evaluation done and get it used.

This paper has some thoughts for consideration in an examination of the third alternative (which, if adopted, would almost inevitably involve the acceptance of some of the actions listed under the second). Except for the efforts of visiting evaluation teams, there has been little systematic evaluation in AID and predecessor agencies and the results even less utilized. The notes that follow, in sum, suggest that the best way to begin to get more evaluation done, is to start where the activities are that are to be evaluated. The notes suggest that the best way to get the results used is to have the users significantly involved in producing the product, the equivalent of being both stockholders and production workers in the enterprise. Finally, recognizing the existent skepticism and administrative inertia as well as the complexity and workload of evaluation, the notes suggest that improved evaluation hitch a ride part of the time with Improved Program Execution.

2. AID's program is prepared and its operations undertaken by (1) country; (2) region; (3) globally. The mass of programming and operations are by country. There does not seem to be much dissent from the conclusion of the Booz, Allen and Hamilton management team that programs come primarily from country missions. Operations are conducted by the country missions. The programs and operations to be evaluated and thereby improved are at the country level. Thus we should start at the country mission level in improving AID evaluation.

3. The primary purpose of evaluation is to make determinations that are used in programming and operations. The end user is largely the Mission Director. The needed determinations can come from AID/W and other assistance experience external to the country or from evaluation of experience within the country. Initially these notes focus on the latter -- assistance experience within the country. This paper treats the problem of external experience later.

4. The exercise of "evaluation," stated oversimply, is a systematic and critical look at assistance programs, and/or parts thereof, to make determinations as to changes in operations or the program itself, and the selection of future programs. We are, in the short run, materially committed to an ongoing program. Changes in this program always take time and are often hard to make even if clearly desirable. The operational conduct of activities, that is, the execution of programs can be adjusted more rapidly, however.

5. The Booz, Allen and Hamilton team concludes that, "In terms of future program success, the great need in AID is to speed up and improve the implementation process." AID is now putting strong emphasis on Improved Program Execution. No matter how theoretically desirable, AID's administrative resources are unlikely to support at the same time both a major effort to improve program execution and also a separate major effort in the area of evaluation. The Improved Program Execution effort, to the extent successful, will provide resources needed for improved evaluation and vice versa. Furthermore, the initial primary objective of any improved evaluation should be support of Improved Program Execution and the first steps along the evaluation road should place emphasis on Improved Program Execution.

Requirements for Improved Evaluation

6. Improved evaluation at the mission level should be designed to be:

a. administratively manageable,

b. objective,

c. usable, in form and content; and

d. implementable, i.e., give maximum assurance that results will be used.

7. In order to be administratively manageable, any comprehensive evaluation effort at the country mission level must be the responsibility of the Mission Director; must be designed so as not to absorb an unacceptable amount of time of key individuals in the missions; must be scheduled for times when the mission is not undertaking some other required maximum load such as the CAP; and must draw, to the maximum extent possible, on data provided for other mission purposes such as the operational plans and schedules essential for Improved Program Execution.

8. The point of availability of time and talent must be faced. While the philosophy of AID includes a presumption that Mission Directors are continually evaluating their programs, the realities raise a question as to whether they are always doing so in fact. The adoption of a systematic mission-level evaluation would mean that time and talent would have to be taken from other activities. What are the possibilities? Effective evaluation should help program execution and the annual programming exercise. The Booz, Allen and Hamilton team recommends more decentralization to the field (this discussion suggests that much of the responsibility for evaluation should be included). A detailed survey of reports and other data submitted to AID/W may show some assets. Finally, AID's true priorities are reflected in the allocation of its resources. If there are no resources for evaluation, beyond the current effort, the best course may be to say so. At least one large and already overly pressed mission is undertaking a self-evaluation. The others, therefore, might be able to bear such a load.

9. In order to give maximum assurance of objectivity, the evaluation responsibility should not be delegated to technicians, division chiefs, or program officers, although all these must participate since they are the best technical experts available. One of the several ways to increase assurance of objectivity is through the use of consultants both from within and without AID. Attempts to incorporate evaluation activities into the annual programming exercise are questionably sound from either the efficiency or objectivity standpoint. The preparation of the annual LAS or CAP is an exercise aimed, in large part, at the special requirements of the Congressional Presentation. It is carried out against deadlines and usually involves great working pressure on personnel. Moreover, the programming exercise often involves a struggle to include or

exclude projects. Therefore, although the necessity of making decisions against a deadline may help to crystalize informal evaluation judgments, the CAP is not prepared at a time or in a climate conducive to a systematic appraisal of the reasons for shortfalls in performance or questionable progress toward fundamental objectives. Finally, the evaluation process should include quick operational follow-up and prompt implementation of lessons learned - operations which are not closely related to the annual programming process and which would place an unwarranted load on it.

10. The problem of objectivity is made less difficult by the current realities of AID/W operations. AID/OES evaluation teams are known to exist and might conceivably arrive at any time to uncover significant oversights in mission evaluation efforts. As a further point, mission self-evaluation efforts would provide the building blocks for quicker and more useful evaluation by a visiting AID/OES or other external team.

11. AID/OES teams are already trying during their visits to generate de facto self-evaluation on the part of missions. In this connection there may be useful analogy in the process by which U.S. universities receive degree-granting accreditation. Each institution is required to conduct a systematic self-evaluation before the arrival of the visiting accreditation team. This self-evaluation serves as a basis for discussion with the team which then prepares a separate report to the accrediting authority (with a copy furnished to the institution evaluated).

12. Illustrative of the problems of getting evaluation results in a usable form and getting them implemented, currently about 500 three-year reports on technical assistance are supposed to come to AID/W annually. Each report, according to manual orders, includes an "evaluation." So far as can be determined, nothing has been done at the AID/W level with these evaluations.

13. The Three-Year Project History requirement, raises the question as to whether this evaluation can usually be more than a performance appraisal. Single projects are usually not large enough to warrant a judgment of significant progress toward a fundamental U.S. objective. At the minimum, sectoral evaluation is usually needed to support such a judgment. Currently, there seems to be a gap at the sectoral level in the prescribed evaluation system, and a considerable question that the "evaluation" in the three-year project history is very productive.

14. A mission-level evaluation operation under the mission director's supervision, should be an effective way to get both evaluation results in a form useful to the particular mission, and also to get them used by the particular mission. The problem of usable results for assistance activities outside the country is partly a matter of staffwork and guidance by regional bureaus and staff divisions in AID/W. The even more difficult problem, however, is the transference of things learned to actual use in another country. There are sometimes mental blocks to accepting ideas and methods not self-developed. Usable evaluation has to be applicable to the particular social, economic, political, cultural milieu of the country. There are at least two ways to transfer evaluation: (a) start from proven application in one country and transfer to other countries by specific operational action with adjustments to the new milieu; (b) by research and analysis in AID/W (in-house or contract) with the resulting more generalized lessons transmitted to the field. We have tried (b) somewhat and should continue. Success has been limited. Should (a) be given more of a systematic try?

Components Already Available

15. What components are already available that might contribute to a systematic self-evaluation system at the mission level?

a. There is an effort for Improved Program Execution which, if successful, should provide data and useful yardsticks for evaluation of operational and managerial activities of AID. This effort, initially, may place its major emphasis on slow-moving and lagging activities. The questions which need to be routinely asked are "why" and "what should be done about it." The questions imply a combination of evaluative and operational responsibilities - usually a good thing. The Administrator has directed that each mission establish a "review committee or other arrangements" to deal with lagging projects. There remains, to attain comprehensive self-evaluation, a need to (a) look systematically at the activities going well (some of them may not really be doing so well), (b) ask the question: "What have these activities to do with our U.S. fundamental objectives and are our priorities consistent with those objectives." Finally, a completely comprehensive system would include provision for transfer of lessons learned.

b. There is now a good deal of work on the mission level that might be fitted into a self-evaluation program. For instance, technicians prepare end of tour reports; there are required reports on each activity every three years. The latter, by manual order, include a component called "evaluation." Has consideration been given to having these three-year activity reports go to the "review committee"

for evaluation? True, it is argued that these reports are of little value since the authors are interested in continuing the contract, getting a good efficiency report, etc. If they are really of little value, the man years of preparation and processing might conceivably be better used.

c. There is an increasingly sturdy framework of written policy guidance (country development plans, U.S. policy) which provide guidelines for evaluation efforts.

d. I believe mission directors and their senior personnel are generally more professional than some years ago.

e. Qualified personnel from outside the mission should be readily available, on a consultant basis to supplement a systematic evaluation effort. Relations with the local government need to be taken into account. No one is more likely to be sensitive to these relationships than the Ambassador himself. A member of the Ambassador's personal staff (perhaps the economic counselor) might be considered for membership on the review committee. AID/W is an operational agency. In the field, AID/W often gets the blame for inadequacies, sometimes unwarrantedly. A qualified person from AID/W might often strengthen a mission review team as well as facilitate an exchange of experience.

f. Precedents are a needed resource; they are scarce. Two LA countries have recently undertaken a systematic evaluation review, one of the AID program and one, led by the Ambassador, of the total country program.

g. Standards and criteria are needed. The broad guidelines should be included in the manual orders. These orders are not yet written.

h. The Operational Plan, which is the normal reference for appraising program execution, should include an evaluation plan if AID really wishes to make evaluation a significant component of its total activities.

i. Time of key personnel is an essential resource - perhaps the most difficult component to acquire. Some of this time is now committed to Improved Program Execution by direction of the Administrator.



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This latter operation, if properly done, is certain to have evaluatory aspects. But the time provided will not be enough for a systematic appraisal on an annual basis. Currently the preparation of the annual program usually gets first priority on time except for investigations and Congressional questions. Annual programs should increasingly consist of ongoing activities which are adjusted to judgments derived from some sort of evaluation (or perhaps from shifts in funds). The current Improved Program Execution should make needed data more readily available. But, although the point cannot be checked, it cannot be doubted that to have a systematic self-evaluation a director must select a period of the year, set up an administrative system, perhaps get some outside consultant help, and devote some of his time and that of other top personnel. The best period of the year is usually March to May.

16. The foregoing notes relate to at least three other questions: (a) is the "evaluation" likely to be achieved worth the effort? (b) will country missions accept the job of systematic evaluation without too damaging and counter-productive skepticism? (c) what about feedback?

17. Feedback: The methods outlined seem to give about as much assurance of feedback within the country as can be contrived. A summary informal report to the regional administrator and Administrator might be included in the procedure to involve these individuals, hearten the mission director by assuring their interest, and provide grist for any research on evaluation at the AID/W level. But transmission and communication (feedback) to other missions is not provided for at all except through such means as use of neighboring mission personnel on review teams. Feedback to AID is provided for only indirectly through program changes and their defense.

Transmission and Communication

18. Transmission and communication are serious problems in any large operating and planning organization. The available methods include:

a. Transference by assigning an individual having the knowledge and skill in his head -- probably the most common practice in governmental activities;

b. A schooling system which is the method heavily stressed by the armed forces;

c. Various forms of conferences, seminars, consultations, exchange visits, etc.

d. Conversion of lessons learned to general policy guidance and formal distribution of this guidance, mandatory in varying degrees.

e. Preparation of written material either as case studies or generalized analysis or both, and distribution through official channels or through commercially published articles and books.

Several of these methods may require efforts which are properly characterized as "research." Distribution under (e) can be on the initiative of AID/W or in response to a request from the individual or agency likely to use the information. From the point of view of initiative exercised by the individual or agency having the information, the problems include knowledge as to what is really available and who might use it. They also include collecting the information in a repository which can relate what is needed to what is available, and then transmit it where needed. Under this heading ("Impetus from the Rear") consideration should be given to a program under which AID/W sends to the field all available precedent material on any new or troublesome activity. From the point of view of the individual or agency needing the information, the problems include knowing what to ask for and where to ask for it.

19. The collection, storage and dissemination of the type of information discussed here is a problem not yet well solved by any government agency as far as is known. Certainly AID can and should improve its "memory" but there is no adequate reason for being overly sensitive about the current situation since AID does not have all the resources (such as schools) which some government departments have.

20. Under the heading Transmission and Communication we note:

a. The FAIME project may provide a useful resource, but not for several years. An effort should be made to do something soon.

b. Reasons and precedents for AID programming and operations rapidly become outmoded for many types of AID activities. A good example is population control. Another is the "turn-around." Hence AID needs to pay attention to the likelihood



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of applying the results of research and evaluation from the point of view of the timing of their availability.

c. AID programming and operations must go forward within quite definite and often restrictive, legislative, organizational and operational parameters. Evaluation and research need to be defined with the likelihood that the outcome will be usable within these parameters if AID activities are to be improved.

d. AID programming is highly "projectized." By its organization and planning, AID thinks to a considerable extent in terms of sectors of social and economic development. AID is also organized geographically.

The first part of these notes concern the country mission. There may be a useful approach to evaluation with a built-in transmission aspect through increased evaluation activities by geographic region. Since regional administrators are the directors of operations, they are in a position to monitor, with some force and precision, the transmission of any conclusions drawn, useful methods and techniques identified, etc. The suggestion has been made above the AID/W take more initiative in sending out information related to activities under consideration.

e. We have thus far found very little systematic study and analysis of standards and criteria for evaluation -- or on "how to evaluate." Here may be a fruitful area for research. For instance, there is lack of unanimity among informed individuals as to the degree of usefulness and the limitations of macro-economic indicators.

f. The extent to which the conference, seminar, workship techniques have been used for the transmittal of information is not completely known. It is understood, for instance, that in one country there is now a proposed conference at the sector level which includes "evaluation" on the agenda.

GALincoln/GDCamp/PFGeithner:naw
A/AID



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# ANNEX H

April 19, 1965

Summary of Points Discussed in Two Recent Seminars on Evaluation Participated in by Administrator and Members of AID Staff

1. The following paragraphs summarize points and conclusions on which there was general, although not always complete, consensus.

2. Past Evaluation Efforts. AID has relied for evaluation primarily on inspection teams and on an implicit assumption that the programming process provides the needed analysis. Although there have been a variety of efforts called "evaluations," there has not been a comprehensive system of evaluation including an assured feedback of results for the evaluation system. Evaluation supports both programming and operations but should be viewed as a separately identifiable process.

3. Nature of the Evaluation Process. Evaluation is a process, not an act; it is a frame of mind, not merely a series of reports. An evaluation system involves taking, as a regular part of our work, a critical analytical look on a systematic basis at what we are doing.

4. AID should increase its emphasis on evaluation. There has been strong emphasis on programming, less emphasis on operations, and very little on evaluation. ("What happens after we decide to do something?")

5. The initial (but not exclusive) emphasis of increased evaluation should be on improved operations. Evaluation is a process to determine how things are going or have gone, directed to improving their implementation plus providing a feedback into programming and further operations.

6. AID should initially (but not exclusively) emphasize mission-level evaluation under the leadership of the director. The process should involve the mission widely; should not be relegated to the program office; should not be left to the CAP which is a useful but not all-purpose instrument having definite practical limitations; should include a critical analysis of performance against pre-planned targets; and should examine results in context of broader standards and objectives than activity performance per se.

7. Evaluation should be considered a management tool and a management responsibility. The process of evaluation is an operation. The results provide aids to management, in both the operating and the planning areas.

8. Sector evaluation is important and neglected. There is a gap in our systems and attitudes in the area of sectoral analysis and evaluation. We have placed our emphasis at the project level and country program level, neglecting the connecting link. Projects have to be looked at in a sector context to attain an evaluation of their contribution to broad objectives.

9. There are two faces to evaluation from the standpoint of objectives. Is the job going well (par. 5 above)? Does the existence of the activity make sense?

10. Evaluation, by definition, implies some standards against which to evaluate. There must be an operational plan if performance evaluation is to be effective. Much more needs to be done in establishing standards and criteria for evaluation. Something needs to be done, and should be done, about concrete actions to make experience available to operating and planning personnel in usable form.

11. Requirements for Improved Evaluation. AID should begin with emphasis at the mission level and the current emphasis on Improved Program Execution. Requirements stressed without dissent were:

a. A better evaluation information and reporting system

b. Involvement of operators

c. Action-oriented review committee with assured follow-up.

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**ANNEX I**

April 19, 1965

Some Managerial Aspects of an Improved AID Evaluation System *

1. A comprehensive evaluation system necessarily consists of a group of interlocking sub-systems (mission, regional, for various purposes, etc.) A comprehensive system would need to be introduced progressively. The development of such a system should strive to utilize, with appropriate adjustments, resources already in being.

2. The consensus of staff discussions thus far is that AID should increase emphasis on evaluation, should initially emphasize improved evaluation at the mission level, should begin by emphasizing evaluation contributing to improved performance of AID operations, and should strive to involve the AID organization in a continuing process of evaluation. This process needs to be similar to and interlocking with, but distinct from, both programming and operations. An effective comprehensive evaluation system can only be founded on the requisite state of mind. The following paragraphs suggest managerial things to do. Some, perhaps all of them, are already being done on a piecemeal basis by AID.

3. Systematic evaluation is a responsibility of each mission director. The responsibility for planning, staff supervision, and monitoring of evaluation operations can be delegated. But it should not be delegated in a way that invites its absorption into another activity.

4. Each mission director needs a staff resource for staff aspects of evaluation. This resource can be a special assistant, a director of operations, or other. The actual operation of an effective evaluation program must involve the operators and top managers.

5. Since the initial emphasis is improved program execution, Performance Evaluation is the immediate priority target. In order to evaluate performance, an operational plan, containing scope, targets and timing, is necessary for each activity These are also required for effective program execution. Hence, performance evaluation is likely to be largely a spin-off from program management and should need no significant managerial structure beyond that required for efficient program execution. Good performance evaluation requires:

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*/ Prepared for the Executive Staff Meeting on April 20, 1965.

a. Activity plans which provide yardsticks for checking progress.

b. A system of monitoring and reports.

c. A systematic, critical review and analysis, activity by activity, by someone other than the operator directly involved. This review could be monthly but should be no less than quarterly. A review committee, or similar means, has already been directed for each mission by Mr. Bell's airgram of May 8, 1964, "Prompt Execution of Approved Programs."

d. An identification of less than satisfactory performance. Why? What to do about it? The answers to these questions (part of feedback) may be sought within the mission, from consultants, from similar experiences in other countries (see below on flow of information from Washington), and from other sources.

6. AID's operations are now materially ongoing. Future commitments in any country are largely continuations of similar activities in that country or in some other country. Before agreeing to continue an activity there should generally be a systematic evaluation of that or similar activities. For example, before starting another school building program, evaluate the previous one. Evaluation efforts should be directed to objectives helpful to overall and detailed decision-making on the activity under consideration. Significant evaluation efforts should generally not be completely "in-house." Consultants and consultant teams are available to mission directors. Consideration should be given to including local country officials in evaluation operations.

7. Judgments as to contribution of single activities ("projects") to fundamental U.S. objectives can rarely be made in a perspective of less than a sector (Agriculture, Private Enterprise, Education, etc.). Each mission should undertake a systematic evaluation of its activities from "the bottom up" by project, sector and relationship to fundamental objectives. This should generally be once a year before the period of institutionalized CAP preparation. This evaluation should answer such questions as: Should we be in the activity at all? Should we increase our effort?

8. As a first cut at provision of staff resources, the mission director should strive to use his machinery for Improved Program Execution. The sectoral analysis is likely, in the first instance, to be the responsibility of operating division chiefs. The analysis should then logically proceed to

a review committee removed from parochial involvement with specific sectors. This concept obviously implies that the mission has clearly defined what the U.S. is striving to help the country attain, sector by sector. Only by appraisals at the sector level are we likely to lever consideration of technical assistance and capital assistance together, and, perhaps even more important, appraise activities in relation to institutional change achieved or likely to be achieved.

9. The time and talent resources for the process in paragraph 7 can be found by (a) a shift in priorities toward emphasis on evaluation, (b) use of applicable resources already existent (such as reports and the Improved Program Execution System), (c) reduction of current workload, (d) additional personnel, (e) help from consultants and AID/W.

10. The stubborn problem of improved evaluation and the included intractable problem of time and talent therefor, require a variety of separate and progressive actions. For example:

a. Search for a way to process into the mission evaluation system the recurring reports having evaluative content. These include the three year technical assistance Project History and Analysis Reports (now apparently filed with little use), and End-of-Tour Reports.

b. Reduce workload by further decentralization to the field (as currently recommended by the management survey) and streamlining of the CAP (as required by AIDTO Circular A-342, paragraph A.(e)).

c. Devise ways to get a flow to the field of materials to assist in self-evaluation:

(1) There are hundreds of reports in AID/W files; there is a staff unit for answering requests from the field (TCR/CRS/PTS). Some managerial action is needed in AID/W to get a useful flow under way. Perhaps this problem is resistant enough to merit attention from the ORC.

(2) Evaluation Research should be materially concerned with prompt development of standards, criteria, and methods for the use of the actual evaluators. The process of evaluation itself is largely a job for managers, operators, and programmers - an informed way of thought and action. Put another way, evaluation



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research projects should be designed to produce material that is usable and used by a specific group of evaluation operators (as the modern Dictaphone is designed).

11. The foregoing notes have been principally directed to the mission-level evaluation and to steps to strengthen the emphasis on, and involvement in, both operations and evaluation by mission-level personnel under the leadership of the director. These notes have approached the problem from the cutting edge of operations, moving thence through sectors to the country program. But busy field officers are unlikely to allocate part of their limited time to evaluation unless there is equivalent emphasis, interest, encouragement, and appreciation from AID/W. Furthermore, some evaluation efforts and activities flow naturally from AID/W to help the field as well as AID/W. For example:

a. The team efforts of OES which have, and should, include advice to country missions on self-evaluation.

b. Sector evaluations (probably usually best done by regions) designed to reach judgments and decisions through comparison and contrast of similar problems and experience in several countries. The recent LA survey of tax projects is an example of a beginning on such a comparative evaluation.

12. AID/W has had a strong programming staff, an operational function dispersed in various places with five of the identifiable foci consisting of regional administrators plus a top level staff echelon in the recently established Operations Review Committee. AID/W has had no identifiable staff resource near the Administrator for overall planning and monitoring of evaluation.

13. The foregoing rough, and perhaps somewhat controversial, summary leads to the conclusion that AID/W should consider how and what evaluation measures can help its planning and operations. Here are some points for consideration:

a. AID needs to do something about the materials already available in AID/W. Maybe we need a short-term management or research contract on this problem.

b. AID/W needs a staff resource near the Administrator, with an operational slant. The process of evaluation is an operational process. Devising and installing anything like a comprehensive system of evaluation is going to take time, talent, tenacity, managerial ability and command support.

c. AID/W needs an identified evaluation staff resource in each geographic regional bureau close to the Improved Program Execution effort. This need obviously raises a personnel and an organizational problem. The suggested decentralization to the field may release some personnel time. The shifting of the proportion of total AID activities between programming and the monitoring of operations may indicate at least a small shift of personnel

d. AID needs to emphasize the sector approach including research on evaluation methods, in evaluation projects conducted by AID/W. This approach will probably soon be labeled a "fad" in the informal AID lexicon. The labeling will not, however, make the approach any less pertinent.

e. AID needs to examine its more intractable problems, starting with operational problems, to test whether evaluative efforts might be useful For example the ORC might well consider calling for an appraisal (evaluation) of (1) the five slowest moving (most unsatisfactory) loans in each region, and the five fastest moving (most satisfactory), and (2) the five projects in each region completed in the last two years which seem to be operating most poorly, and the five which seem to be operating the best. The objectives of such evaluation would be primarily two (1) the ORC might be able to do something about the situation, and (2) AID might, through systematic analysis, learn some things to do and not to do in the present and future.

11. As a final point, there is no merit in launching a policy of increased emphasis on evaluation unless the gains are to exceed the costs. Such will not occur until substance is given to the forms adopted. Substance can be derived only from the positive leadership of AID/W top officers and of mission directors coupled with the operational and intellectual involvement of the mass of AID professionals in a systematically critical analysis of what we are doing and trying to do. Hortatory statements such as the preceding one, are unlikely to be of value unless accompanied by positive leadership and specific operational acts.

12. The foregoing paragraphs do not propose doing anything conceptually new; they do propose doing what AID has in public statements, manual orders, etc., indicated either implicitly or explicitly to be already under way. The problem is seen primarily as not a matter for more reports, forms, personnel, etc. The problem is primarily a matter of education, a way of thought.

GALincoln:naw
A/AID



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# RECORD OF MEETING

AGENCY FOR INTERNATIONAL DEVELOPMENT
EXECUTIVE SECRETARIAT

ES/RD-37

**ANNEX J**

EXECUTIVE STAFF MEETING, April 20, 1965

ATTENDEES

| | | |
|---|---|---|
| Mr. Bell | Mr. Gibbons | Dr. Long |
| Mr. Gaud | Mr. Moynihan | Mr. Gregory |
| Mr. Hall | Mr. Engle | Mr. Aliber |
| Mr. Macomber | Mr. Kennedy | Mr. Brown |
| Mr. Poats | Mr. Lavergne | Mr. Chapin |
| Mr. Hu chinson | Mr. Smith | Col. Lincoln |
| Mr. Harvey | Mr. White | Mr. Camp |
| Mr. Hoagland | Mr. Oechsli | Mr. Geithner |
| Mr. Johnston | | |

SUBJECT: AID Program Evaluation

Mr. Bell introduced the subject of AID Program Evaluation by referring to the two papers prepared as background for the meeting. He pointed out that Attachment A listed those points on which general consensus had been reached in two recent seminars;* the points in Attachment B represented the next stage in our thinking. Mr. Bell indicated that he felt the comments in these two papers suggested a very useful and effective approach which warranted serious consideration by the Executive Staff.

Colonel Lincoln outlined some of the major points included in the two papers. AID should: increase its emphasis on evaluation; initially emphasize improved evaluation at the mission level; begin by emphasizing improved evaluation contributing to improved performance of AID operations; and finally, strive to involve the whole organization in a continuing process of evaluation. Col. Lincoln recommended that the Agency build on what it has, rather than establish a new organizational hierarchy for evaluation. He recognized that many of the ideas presented were not new, but it was necessary to focus on implementing them: "the way to begin is to begin."

Four specific actions which could be taken were discussed: (1) The procedure for the prompt execution of approved programs (ref: AIDTO CIRC. 43, May 8, 1964, and AIDTO CIRC. A-104, October 10, 1964) can also serve as a vehicle for performance evaluation by determining how well a specific project is going, why, and what to do. (2) Undertake systematic and scheduled program appraisals on a sector basis at some time other than during the annual CAP preparation. The Nigerian agriculture and education studies and the joint AID/THAI rural development program evaluation are examples of sector analysis now underway. Comparative studies of sector performance in different countries could be stimulated by AID/W. (3) Begin to collect, analyze and disseminate to the field

* The two seminars, in which the Administrator and Deputy Administrator participated, were conducted by Colonel George A. Lincoln. Colonel Lincoln is serving as a Special Adviser to the Administrator. He has been asked by Mr. Bell to examine AID's systems of evaluation and sets of criteria to see how these might be improved to provide AID with better answers to two questions: "Have we picked the best projects and are we carrying them out effectively?"

material already available in the three-year Technical Assistance Project History and Analysis Reports, Project Completion Reports, End-of-Tour Reports, and any other relevant reports, as well as to incorporate the preparation of these reports into the evaluation process of the mission concerned. (Mr. Bell asked to see a representative sample of these reports. ACTION: EXSEC). (4) Specify more clearly at the outset, what it is we intend to do; i.e., we need an operational plan defining scope, targets and timing, in order to provide standards against which to evaluate, and then include a plan for evaluation in the operational plan.

A number of other aspects of evaluation were also discussed, including the following: the involvement of host country officials in evaluation efforts; the use of consultants; the need for guidance and help from AID/W to "trigger" mission-level evaluation; the role of visiting teams; involvement of managerial and operating personnel in the evaluation process; and the Congressional aspects of AID evaluation efforts.

Mr. Bell stressed that evaluation, like programming and operations, is a management responsibility. An increased emphasis on evaluation requires command support and the communication of that support to all levels in the Agency. He noted the general consensus on the points cited above and on those included in Attachment A. Colonel Lincoln was asked to draft a message to the field for the Administrator's consideration. The message is to give guidance for increased emphasis on evaluation at the mission level.

ACTION: Special Adviser

Donald S. Brown
Executive Secretary

Distribution:
Executive Staff
Mission Directors (with attachments)

Attachments:
A - Summary of Points Discussed in Two Recent Seminars on Evaluation
B - Some Managerial Aspects of an Improved AID Evaluation System
C - Discussion Agenda for Seminar on AID Program Evaluation
D - Notes on the Problem of Increased Emphasis on Evaluation in AID
E - Foreign Assistance Evaluation Efforts Past and Present
F - Request for Information on Evaluation Operations Conducted by AID/W Staff Offices and Regional Bureaus

Note for Mission Directors:
Attachments A and B provided the basis for the Executive Staff discussions. Attachments C, D and E were prepared as background papers for the two seminars on evaluation.

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UNITED STATES GOVERNMENT

# Memorandum

**ANNEX K**

TO : Colonel George A. Lincoln

DATE: April 14, 1965

FROM : Peter F. Geithner

SUBJECT: Recurring Evaluation Reports and AID's "Memory"

1. The Booz, Allen & Hamilton management report concludes that: "AID has not yet developed a systematic process to appraise the consequences and results of its program operations and to exploit the rich accumulated experience of the agency." Part of the agency's experience is recorded in the recurring reports submitted by the USAIDs to AID/Washington which are specifically designed, at least in part, to provide the agency with a more complete and useful memory.

2. Of the some 110 USAID recurring reports to AID/W listed in M.O. 325.1 (1/11/64), there are three which are intended to serve this purpose:

a. Technical Assistance Project History and Analysis Report (PHAR). PHARs are required for each TA project at 3-year intervals during the course of the project and upon project completion. They are distributed to the regional technical offices for action and to the country desks and staff offices for information.

b. Project Completion Report (PCR). The Standard Provisions Annex to each Project Agreement requires that a PCR be prepared by AID and the Cooperating Agency upon project completion. PCRs are distributed to the regional technical offices, the country desks and, where construction is involved, the Office of Engineering.

c. End-of-Tour Report (ETR). ETRs are prepared at the completion of each tour by direct-hire, participating agency and contract employees who are concerned with "planning and carrying out professional, technical and program activities". The ETR is intended to provide information not incorporated in programming documents and project activity reports; i.e., "the personnel knowledge of the individual about differences between U.S. and local practices which have caused problems, the adaptations of U.S. practices which have been more or less successfully tried, and suggestions for future U.S.

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activities". ETRs are distributed to the regional technical offices, the country desks and the Office of Technical Cooperation and Research (both the concerned technical office in TCR and the Office of Research and Analysis).

3. The usefulness of these reports as a means of improving AID's memory is affected by the following:

a. It is doubtful if the existing reporting requirements are being met on time, if at all. I have not found any evidence of any systematic enforcement of these requirements.

b. The quality of those reports which are submitted varies widely. In some instances, there seems to have been a lack of information in the mission files on which to base the report. In other instances, insufficient attention seems to have been devoted to preparing the report. Yet in still other instances, the reports appear to provide a complete, accurate and thoughtful evaluation.

c. There is no central repository for these reports in AID/W. As indicated above, they are distributed on an individual basis to the offices directly concerned. TCR/RA has recently undertaken to collect copies of these reports, but primarily for the purpose of evaluating the usefulness of the End-of-Tour Report.

d. There is no accurate estimate of the number of reports on file within the Agency. The total is certainly substantial. When the PHAR requirement was instituted in 1963 it was estimated that approximately 500 would be due in AID/W annually. It was also estimated in 1963 that there might be as many as 10,000 ETRs on file.

e. Finally, I have been unable to-date to find any evidence that either the regional bureaus or the staff offices receiving the reports analyze them in any systematic manner. It is even questionable if the reports are actually read by those presumed to be most directly concerned. In only one instance do the manual orders designate responsibility for evaluation. When M.O. 326.1 on the End-of-Tour Report was revised in December, 1964, it was indicated that the ETR requirement would be continued on a trial basis for one year. In this instance responsibility for evaluating the ETRs submitted was specifically assigned to the Office of Research and Analysis (TCR/RA). M.O. 326.1 also states that the regional technical offices are to bring

to the regional administrators' attention any ETRs deemed to be of special interest and importance. It further states that completed ETRs will be kept on file in TCR and that "copies may be obtained by request to TCR, which will inform the missions annually of ETRs received."

4. These comments tend to support the management team's conclusion quoted above. They also raise a question as to whether the benefits now derived from PHAR, PCR and ETR are sufficient to justify the time, effort and money invested in their preparation.

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**ANNEX L**

April 27, 1965

MEMORANDUM FOR MR. GAUD, DA/AID

THROUGH: EXSEC

SUBJECT: Three Year Technical Assistance Histories, End of Tour Reports, and perhaps some other reports

1. I attach a staff paper on the above subject.

2. In our papers on increased emphasis on evaluation, we have made suggestions which include:

   a. Schedule and shape the above reports so they contribute to an annual evaluation in each country under the leadership of the mission director.

   b. Get some system in AID/W by which these reports become a part of AID "memory" and are readily available to personnel considering similar activities. In other words, let's erase this too frequent comment that "AID has no memory."

   c. Cut down on the number of reports from the field, thereby giving field people more time for evaluation and supervision of operations. Put another way, if AID can't find a way to make these reports useful, let's eliminate them.

3. The enclosure suggests a way to make the reports useful. The problem is not new; nothing has been done about it thus far. Hence the operational problem of doing something must be very stubborn. I recommend the problem to your attention for action by the ORC.

G. A. Lincoln
Special Advisor

Attachment a/s

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Colonel George A. Lincoln, A/AID, Room 5893 NS April 29, 1965

Glen D. Camp, Jr., A/AID, Room 5897 NS

Technical Information ("Lore") Transfer in AID

Ref. (1) Lincoln Memo for Executive Staff Meeting of 4/20/65, "Some Managerial Aspects of an Improved AID Evaluation System."

(2) Geithner-Lincoln Memo of 4/14/65 on "Recurring AID Evaluation Reports."

(3) Booz, Allen & Hamilton, Inc. Final Report of 2/10/65, "The Administration of AID."

(4) Camp-Lincoln Memo of 3/19/65 on the Booz Draft Report of 12/21/64.

(5) Hudson-Winfield Memo of 3/2/65, "Recommendations on PTS Operations."

(6) Bunting-Weyl Memo of 9/6/63, "TA Project Reports" (PHAR's).

(7) Ohly-Blandford Memo of 9/3/63, "End-of-Tour Reports" (ETR's).

(8) Turner-Winfield Memo of 7/20/62, "Lateral Transfer of Project Data Between USAIDS."

In Ref. 1 (point 10 a and c, p. 3) you indicate the need "to search for a way to process into the mission evaluation system the recurring reports having evaluative content." You also suggest that AID should "Devise ways to get a flow to the field of materials to assist in self-evaluation."

The record of the Executive Staff Meeting of 4/20/65 suggests that many participants, including Mr. Bell, felt that "lore transfer" is indeed a problem, and that AID should improve its system for diffusing such technical information within the field and within AID/W. Such transfer should help "to improve the efficiency of AID operations," as Mr. Bell put it in cablegram to AID missions (AIDTO CIRCULAR 43 of May 8, 1964). Mr. Gaud's follow-up airgram (AIDTO CIRCULAR A 104) of October 3, 1964 also is concerned with "Prompt Implementation of Approved Projects" and with improved field reporting as an aid to improved project implementation.

This memo, written at your request, suggests a method for such transfer to help improve AID operations and project execution. In preparing it I have incorporated many invaluable suggestions from the following persons: Mr. Burn, A/MP/DPD; Mr. Chamberlayne, MP/SDD; Mr. Charrette, A/SRD; Mr. DeWilde, A/IM (FAIME); Mr. Geithner, A/AID; Mr. Hudson, TCR/CRS/PTS; Mr. Macy, AA/A; Mr. MacPhail, AA/TCR; Mr. Mayer and Mr. Turner, TCR/RA; Mr. Jerome Rise, Booz, Allen & Hamilton, Inc. The responsibility for any errors and omissions, however, is of course mine.

The Problem: AID programs are conducted in the field, and its experience is largely gained where its programs are. But as the Management Team (Ref. 3) noted, this field experience is often lost to AID. It is lost because, despite Manual Orders and other instructions, required reports are not written at all, or if written, are not used: "... AID has an inadequate memory. Evaluation reports on projects in process or completed are scarce, and what has been done tends to go into the files and disappear. Moreover, files become incomplete and their contents lost over the years." Thus: "AID has not yet developed a systematic process to appraise the consequences and results of its program operations and to exploit the rich accumulated experience of the Agency." (Ref. 3, p. 38).

Size of the Problem: Reports flowing into AID/W from the field include the three-year Technical Assistance Project History and Analysis Reports (PHAR's), the Project Completion Reports (PCR's), the End-of-Tour Reports (ETR's). Other reports include the Goal and Activity Progress Report (GAP Report) used by the Latin American Bureau, and the Monthly and Quarterly Progress Report for capital assistance projects which the African Bureau also requires for TA projects (Details in Ref. 2, p. 1). There is also a backlog of the discontinued Technical Sector Reports and NESA case history reports (Ref. 6, p. 2). Some 500 PHAR's are due in AID/W annually under current regulations (M.O. 1393.1), while a backlog of 10,000 ETR's was estimated to exist by Mr. John Ohly (Ref. 7, p. 1). There is no central repository library for these field reports, although both Mr. Ohly and Mr. David Mayer as well as the regional bureaus have collections. The various evaluation reports are sent into the requesting AID/W office in an uncoordinated manner. Thus PCR's (U-515) go to the Office of Engineering (ENGR) by M.O. 1054.1 of 12/23/62; while the ETR's (U-513) go to the regional bureau technical offices by M.O. 326.3 of 7/1/60 as do the PHAR's (U-520) by M.O. 1394.1 of 9/9/63. To achieve coordination, all evaluation reports must be sent to some central distribution point; the system now employed is inadequate.

Clearly the above reporting volume indicates that an efficient system for scanning, classifying, filing and distributing these field reports is needed.

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What Should Be Done? A simple code system should be developed and all incoming reports of an evaluative nature should be scanned, classified, and coded on sheets. The code should indicate the technical "functional" area covered (e.g. housing), the country (e.g. Iran), a short title (e.g. "Low Income Housing Project in Abadan"), project number, and the number of pages. The code sheets should then be punched and verified, then taped and fed into a computer, such as AID's 1401. The original reports plus the reproducible mats should then be filed in a central repository library such as TCR's Technical Reference Center. Each month or quarterly a tape run-off of current field reports should be mailed to each mission and all AID/W regional bureaus and staff offices. Past reports would be similarly distributed, as processed, in bite-sized chunks (e.g. Reports Received by AID/W during FY 1964, etc.). As is now done with field requests for technical information, small orders for specific reports would be filled "from the shelf" of the central repository library, which large orders would be sent to General Services Division with the mats for processing.

Specific problems from field officers should be analyzed by a functional desk and either passed on to a co-operating federal agency (e.g. Agriculture, Commerce) as at present, or analyzed to see if the problem can be solved by reports already on file. If so, these reports should be sent by the desk after identification by the 1401 tape sorted print-out.

Who Should Do It? TCR is the AID/W staff which should do this work. By M.O. 326.3 IV.E the responsibility for evaluating, filing, and servicing field requests for ETR's is vested in TCR. Moreover, the M.O. requires TCR to "inform the missions annually of ETRs received." (Ref. 2, pp. 1-2). Thus for TCR to scan the major evaluation reports would merely extend its current responsibilities.

TCR has in its Communications Resources Staff, Publications and Technical Services Branch (TCR/CRS/PTS) a group of six desks covering twelve functions which currently handle field requests for technical information. The PTS Branch Chief, however, argues that "On technical information in general, we are doing a pick-and-shovel job." (Ref. 5, p. 4). Mr. Hudson's implied suggestion should be accepted and processing of the major field evaluation reports should be automated.

The Library Function: These PTS desks could be used to scan, classify, code, and service field requests for evaluation reports involving technical information. Or this "Library Function" could be handled by some other unit in TCR with functional expertise. This expertise is helpful in getting imaginative use of field evaluation reports, both within the missions and in AID/W. It is also needed in

establishing the catalog of technical headings into which each function is subdivided. TCR/CRS/PTS has already had experience in this, since it participated in developing the INDEX OF TECHNICAL PUBLICATIONS (A-1) which is already a simple catalog.

Catalog Problem: In order to provide for future in-puts such as those designed by the Booz, Allen & Hamilton team, and in order to subordinate this system to the FAIME system, it is essential that the Catalog be expertly developed. All evaluation reports should be coded according to the Catalog. Even poorly written and self-servicing reports could be extremely useful as an indication of the professional caliber of their author. The Catalog should be prepared by TCR officers of considerable experience in their technical fields, together with a specialist from A/MP/SDD and A/MP/DPD.

Functional expertise will also be needed to analyze field requests before asking for a tape print-out. If analysis is not done well, the technician or other field officer with a specific problem will be inundated with a pile of reports, most of which will be ungermane to his problem. Lastly, functional expertise is needed in deciding, together with the regional bureaus and Management Planning (A/MP), which report series should be coded.

The "Library Function" of scanning, classifying, coding, analysing, and servicing is an agency-wide problem and should be handled by one central staff office. This could be done by TCR/CRS/PTS. It should not be done by the four regional bureaus in duplicative quadruped fashion. Nor should the function be sliced up and doled out among TCR technical divisions. It is a central staff function and belongs in a central staff office, not in a line or technical staff division.

The "ADP Function": The development of the code sheets, the code itself, the tape print-outs and other automatic data processing (ADP) technical processes could be handled by the Data Processing Division of the Office of Management Planning (A/MP/DPD). After discussion with a representative of DPD, it does not appear that any technical obstacles exist which could not be overcome.

Attachments:

A-1: INDEX OF TECHNICAL PUBLICATIONS, B-21 ("How to Do It" materials).

A-2: TOAID A-696 of 1/22/65 from Santiago (PHAR)

GDCamp:mcs

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**ANNEX M**

For each address check one ACTION | INFO

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TO - AIDTO CIRCULAR A- 12

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DATE SENT
7-13-65

FROM : AID/W

SUBJECT : Increased Emphasis on Program Evaluation

REFERENCE :

FOR MISSION DIRECTORS FROM BELL

1. In the last two years we have undertaken efforts to improve, first, our programming judgments, and second, the efficiency of executing approved programs. Both these efforts have been fruitful. I now believe we should, as a logical third step, undertake a comparable effort to improve our AID program evaluation system. The purpose of this message is to ask you to give your personal attention to this effort at the mission level and to provide you with some general guidelines as to what such an effort should comprise.

2. The review of past and current evaluation efforts within AID shows a need to sharpen our definition of evaluation if we are to undertake a meaningful effort to improve it. Evaluation is a term which has sometimes been used very broadly to include the analysis incident to a program decision. At the other extreme, the term has been used very narrowly to mean compliance control--checks for compliance with legislative and administrative requirements, such as audits and inspections. I have in mind a concept of evaluation which lies between these two extremes. Evaluation, under this concept, is the examination of our experience to provide guidance which can be utilized to improve operations and to improve programming. More specifically,

PAGE 1 OF PAGES 4

| DRAFTED BY | OFFICE | PHONE NO. | DATE | APPROVED BY: |
|---|---|---|---|---|
| G. A. Lincoln and David E. Bell | A/AID | 8015 | 7/6/65 | David E. Bell, Administrator |

AID AND OTHER CLEARANCES
WSGaud, A/AID
WOHall, AA/A

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AID-6-39 (...)

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a. Evaluation is the examination (1) of actual performance in relation to specific activity plans and (2) of the significance of completed and ongoing AID activities in terms of U.S. objectives.

b. The purpose of evaluation is to help us get better answers to the questions: (1) Are we conducting AID activities as effectively as we can? (2) Have we selected the right activities?

c. To be effective, evaluation activities must be designed to produce useable results, and must incorporate adequate provision for the feedback of these results both to improve activities that are underway and to improve the programming of new activities.

None of the above is intended to derogate the importance of compliance control, or of the analysis of new proposals. Rather it is intended to suggest the importance of focussing on evaluation as a separate component of our activities, which seeks to develop and to utilize lessons contained in our experience. In this sense, the three major elements of our work pattern are: program planning (often called programming), program execution (often called implementation), and program evaluation.

3. There is no simple recipe as to how evaluation activities should be organized or conducted. Instead, there is a wide variety of techniques, appropriate to different types of questions, to different sectors of an economy, and to different types of assistance. These techniques vary widely as to the manpower skills, resources, and data required for their use. Individual missions themselves vary, both as to the resources available to conduct evaluation and as to the types of problems with which they are confronted. For these reasons I do not intend to prescribe any set patterns for evaluation at the mission level at this time, although I intend, at a later date, to draw on your suggestions and experience, as a basis for defining more concretely an Agency-wide system. I do believe that, in the case of evaluation, as in the case of programming and of implementation, that the key point of responsibility in our organization is the country mission.

4. In the interim I invite your attention to the following points, which seem to me to be generally valid and immediately applicable to our efforts to achieve more intensive and more systematic evaluations:

a. Evaluation must be considered a separate component of our activities distinct from, but related to and designed to support, the planning and implementing of AID programs. Each mission should have an evaluation plan and specific

administrative arrangements to insure that evaluation is systematically carried out and the results utilized.

b. The responsibility and procedures for evaluation should be clearly established within each mission and the effort should be organized so as to involve the management and operating elements of the organization in the evaluation process, and so as to avoid delegating all evaluation responsibility to any one office or dissolving it into some other activity. For these reasons management responsibility for evaluation should be assumed by the mission director or his deputy.

c. In giving increased emphasis to evaluation we should stress the purpose of improving the implementation of AID activities. This aspect of evaluation is obviously closely related to the Prompt Execution of Approved Programs. It includes utilizing and building upon the procedures detailed in AIDTO CIRC 43, May 8, 1961 and AIDTO CIRC A-104, October 10, 1964, and amplified in Regional Bureau instructions. To provide, for example, standards or benchmarks against which performance can be evaluated, detailed implementation plans must be prepared and maintained on a current basis for all projects. These plans should contain specific targets and time-phased schedules for their achievement, as discussed in M.O. 1242.1, 1324.1 and 1513.1. A clear-cut and well-defined system for periodically measuring actual progress against plans is also required.

However, the fact that a given activity is "on schedule" is not sufficient. To be effective, performance evaluation involves more than the monitoring of prompt execution. It must include, particularly in the case of technical assistance activities but also for capital assistance, a periodic examination of the implementation methods and techniques employed to insure that AID activities are being conducted as effectively as possible. Performance evaluation also involves the identification and application of lessons learned from one activity to similar activities underway or planned.

d. In addition to measuring the performance of individual AID activities, our evaluation effort must also be directed towards providing a more systematic appraisal of the significance of these activities in terms of U.S. objectives. Such appraisals are essential if we are to improve our ability to select the "best" rather than simply "good" projects, and to improve our judgments on modifying activities already underway. In order to determine their significance, individual activities must be considered in a context wider than that of the activities themselves. Appraisals at the sector level are particularly relevant to this problem in that they can be used to provide: (1) an essential analytical and

opportunities, (1) a link between individual activity targets and country objectives; (2) a useful basis for measuring the aggregate impact of activities which have a common sector goal; and (3) a means of insuring that different forms of assistance--program, capital and technical--which have been programmed to support the same goal are in fact doing so, and that their desirable inter-relationships are systematically considered. I realize it may not be possible in some cases to evaluate the significance of AID activities in a precise, quantitative way. It is nonetheless important that we make every effort to reach judgments based to the maximum possible extent on explicit analysis.

In conducting mission level evaluations consideration should be given to the use of consultants from other missions and government agencies, AID/W, and other sources, and, when appropriate, host country nationals. This consideration should not be limited to specialists in the activity under review. A generalist may be helpful and may, at the minimum, contribute to the assurance of objectivity.

For a further discussion of these points, I refer you to the minutes of the Executive Staff Meeting of April 20 and background papers which you have already received.

5. I recognize that evaluation is accepted by each of you as one of your management responsibilities. However, as a result of our examination of past and present evaluation efforts, I am convinced that we do not now have the comprehensive evaluation system needed to support further improvements in programming and operations. Such a system obviously cannot be developed and instituted by any single action or policy paper. It can only evolve progressively on the basis of the precedents and ideas generated by our initial progress. I am aware of, and have been following with interest, some of the mission efforts already underway along the lines outlined above. I plan at a later date to ask for suggestions derived from your field experience in increasing emphasis on evaluation efforts.

RDS.

AID Department of State

**ANNEX N**

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PAGE 1 OF 3 PAGES

DATE SENT

DATE RECD. 9-22-65

FROM · AID/W

SUBJECT · Increased Emphasis on Program Evaluation

REFERENCE · AIDTO CIRC A-12, July 13, 1965

(Check one before each address)

In

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FOR MISSION DIRECTORS FROM BELL

1. In my July 13 message I asked you to give your personal attention to improving our AID program evaluation system. The message emphasized my belief that the key point of responsibility in this effort is the country mission and, within certain broad principles, left the details of the development of an improved evaluation system up to the individual missions. The premise underlying this approach is that improved evaluation can only evolve progressively on the basis of the precedents and ideas generated by our initial progress. My intention is to draw on your field experience in this effort as the principal basis for defining more concretely an Agency-wide system.

2. The purpose of this message is to request selected missions to report on their efforts to improve program evaluation, specifically: (a) What actions are you taking to increase emphasis on evaluation and establish an improved evaluation system? and (b) What suggestions do you have which might be of interest to other missions as to how best to approach this problem? In this connection you will be interested in early reactions (attached) from Panama and Thailand Missions, both containing interesting and useful ideas.

3. The kinds of information which I would find particularly helpful are suggested by the following questions:

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| AUTHORIZING OFFICER | DRAFTED BY | OFFICE | PHONE NO. | DATE |
|---|---|---|---|---|
| David E. Bell, Administrator | D.E.Bell/GA:Lincoln | A/AID | 6638 | 9/17/65 |

AID AND OTHER CLEARANCES
WGaud, A/AID (in draft) DHeilman, AA/LA (in draft) GRanis, AA/PC (in draft)
RWHerder, AA/A (in draft) WEHutchinson, AA/AFR (in draft) JJJohnston, AA/MR (in draft)
WGFarr, AA/NESA (in draft) WCZoneman, AA/FE (in draft) AHMoseman, AA/TCR (in draft)
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AID 8-50W (6-64) PRINTED 12-61

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a. What overall organizational, administrative and personnel arrangements, if any, are you instituting to give increased emphasis to evaluation? Are there circumstances peculiar to your mission or the cooperating country which affect the approach you are adopting?

b. What pattern or plan do you envisage for your evaluation efforts during the current fiscal year? Please identify the individual programs or projects to which you assign high priority for evaluation during FY 1966. For each of these, I would be interested in knowing:

(1) Reason for selecting the particular activity to be evaluated. Is it because the activity is scheduled to terminate; because a decision must be made as to its continuation, modification or termination; because the ongoing project or program has not been systematically reviewed recently; or because the project or program has been affected by persistent problems or is considered to be a marked success? Other?

(2) Purpose of the evaluation. What specifically do you hope to learn? Are you primarily interested in improving the activity to be evaluated or are you particularly concerned with guidelines for improving related projects? Is the focus to be on implementation (performance), or on the significance of the project or group of related projects in terms of U.S. objectives? Other?

(3) Timing. When do you propose to carry out the evaluation. How does this timing relate to your annual program review and CAP preparation?

(4) Methods and criteria to be employed. Is the evaluation to be an in-house, contract or a combined direct-hire/contract effort? Are econometric models to be used? Is the evaluation to stress the sector context or be confined primarily to the activity itself? Is the recipient government to be directly involved? If so, in what ways?

(5) Personnel and funding requirements. What are the numbers and types of personnel required to conduct the evaluation -- from within the mission, country team, host country, AID/W, other U.S. Government agencies, non-governmental sources? What is the magnitude and source of the funding required?



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c. In general, what type of AID/W assistance would be most helpful to you in instituting an improved evaluation system? Are your efforts to increase emphasis on evaluation being inhibited or handicapped by factors which AID/W might be able to alter?

4. Action addressees are requested to reply in airgram form by October 20, 1965. I would of course also welcome the comments and suggestions of other missions which they feel might be helpful in increasing the effectiveness of AID program evaluation.

RUSK

Attachments:
(1) Panama City TOAID A-110, August 11, 1965
(2) Bangkok TOAID A-267, August 13, 1965

SEND ACTION COPIES TO:

Ankara, Turkey
Kabul, Afghanistan
Katmandu, Nepal
Rio de Janeiro, Brazil
La Paz, Bolivia
Lima, Peru
San Jose, Costa Rica
Bogota, Colombia
Tegucigalpa, Honduras
Addis Ababa, Ethiopia
Monrovia, Liberia
Lagos, Nigeria
Tunis, Tunisia
Khartoum, Sudan
Bangkok, Thailand
Seoul, Korea
Saigon, Viet Nam
Vientiane, Laos
Lusaka, Zambia

SEND INFO COPIES TO: All other AID Missions

Action

TO AID/W TOAID A-119 X

8-11-65

FROM- Panama City

SUBJECT - PROGRAM EVALUATION PROCEDURES

REFERENCE - (A) AIDTO Circular A-12
(B) AIDTO Circular A-48

Attached for information of AID/W are 5 copies of USAID Order No. 21 which has been issued in accordance with Administrator Bell's suggestion in reference (A).

Results of this system will be reported under procedures established by reference (B).

ADAIR

Attachments: a/s

EX-O:RHBentley:each Executive 3-8520 8/10/65 DIR:JMegellas (Signed)

DDIR:KKogel (KK)

USAID/PANAMA

Panama

USAID ORDER No. 21 DATE: July 29, 1965

SUBJECT: Program Implementation and Evaluation Procedures

I. Purpose

To establish procedures for the prompt implementation of approved projects and for the orderly evaluation of ongoing activities.

II. Background

The Administrator of AID last year asked that all missions take steps to insure the prompt execution or implementation of approved projects. A number of action were taken to accomplish this purpose, including a weekly program review by the Director, the development of work plans, schedules and monthly reports for all loans, and the improvement of the monthly reporting procedures on all activities.

The Administrator has now requested that the next logical step be taken to improve AID programming, i.e., improved program evaluation. The Administrator's messages on these two related subjects are attached. (See Attachments A and B). These messages should be carefully studied by all officers. They explain clearly the need for the procedures which are outlined below.

III. Work Plans

The foundation of any good system of program implementation and evaluation is a clearly defined, comprehensive, realistic work plan. Without a detailed written work plan, implementation actions are inevitably not precisely defined, and it is, therefore, difficult to evaluate performance against intentions. Therefore, to implement the Administrator's Policy, USAID Project Coordinators must begin by preparing a work plan for each approved

loan and grant project. In the future a work plan will be a pre-requisite [illegible] to the approval of all new projects. The work plan should be a joint USAID-Roumanian effort and should be agreed to by the appropriate local agency.

The [illegible] summarizes activities for each project under the following headings: Activity Target, Course of Action, Progress to Date, and Funding Requirements. It is not intended to duplicate this material. What is intended is that the Course of Action section be elaborated in all essential detail and be converted into a work plan with a check list and schedule of implementation actions. The Work Plan should cover one year in detail and a second year in less detail. For projects which have a clearly defined ending, the Work Plan should indicate major steps to be taken until completion.

Preparation of the Work Plan will in itself be of great value. It will require each Project Coordinator to make sure he has a clear idea of what actions are to be taken, and when, by AID/W, USAID, and the cooperating agency; that the necessary money, people, and equipment will be available when needed, and that they will be in amounts then required. The Work Plan will spell out what should happen in the project's development in as precise terms as possible.

The Work Plan will form the basis of periodic project reviews thereafter. The frequency of the review will depend upon the nature of the project. If prepared properly, a Work Plan, after it is reviewed and approved, will permit progress to be measured, shortcomings noted, and the project and its implementation evaluated, not as a separate evaluation for the benefit of history, but as a control device to assure that everyone in the Mission and the GOR is doing his part to maximize the project's success.

The format of work plans and monthly reports for loans has been prescribed by AIDTO Circular A-203. This system will continue in effect. The format of work plans for grant projects will be somewhat more flexible. The work plan should be prepared in enough detail so that all significant actions are listed and scheduled for each phase of the project. The work plan should divide the work into phases, such as organization, recruitment, training, construction, procurement, contracting, etc.

Work plans for all grant projects will be prepared in the form shown in Attachment C. However, this basic format may be supplemented by tabulations or graphs which explain the progress of work more fully. The Work Plan will be kept up to date by the Project Coordinator. Copies will be prepared for the



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Director, Deputy Director, Program Officer (two copies), and Project Coordinator. The dates for work accomplished will be filled in as work progresses during the course of periodic project reviews.

In order to coordinate the development of Work Plans with the E-Ps, draft Work Plans will be submitted to the Director, Deputy Director, and Program Officer by September 1, 1965. This will permit review and approval by September 15, 1965. The Deputy Director and Program Office staff will be available for consultation during the preparation of the initial draft. Such consultation is encouraged to assure completeness of coverage and early approval.

IV. Program Evaluation

The purpose of program evaluation is clearly stated in Attachment B. However, no system of evaluation has been prescribed. Thus, it is necessary that the mission experiment with evaluation techniques to accomplish this purpose. The Deputy Director will be responsible for coordinating the evaluation process and for the improvement of the EYX system described below.

1. Continuing Evaluation - The weekly program reviews conducted by the Director and the monthly program reports will be employed as devices for continuing evaluation of projects. Discussions during program review sessions should be used to highlight implementation delays and problems in relation to the Work Plan schedule. The monthly report should also discuss accomplishments in relation to the Work Plan schedule of actions. In both cases these discussions should raise issues concerning the need to revise project schedules, basic objectives, work concepts, work scope, etc. These discussions should also highlight the need for a more profound evaluation if work accomplishment gets too far away from work schedules.

2. Depth Evaluation - At least once every six months every project will be evaluated in depth. This will be done at the beginning of the fiscal year in connection with the preparation of the CAP and about half way through the year. In addition, where the need for evaluation in greater depth is identified for a particular project during the course of the continuing evaluation, this will be undertaken at any time during the year.

Normally a depth evaluation will be undertaken by Mission Staff. Such evaluation will take the form of a review session based on a revised Work Plan and such other supporting material as may be considered necessary.



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3. Comprehensive Evaluation -- To the extent that other evaluations indicate the need for the Mission to rethink completely its objectives in relation to a particular project, a comprehensive evaluation will be undertaken. This need could also be identified by AID/W or by the GOP. Such an evaluation would normally require a major staff effort and would necessitate the assignment of at least two competent persons to the task.

The end product of a comprehensive evaluation would be a written report in which the project is thoroughly explored in relation to Panama's development needs, U.S. objectives, the effectiveness of past activities, and the potential for future progress. This report would conclude with recommendations for project modifications, or termination if such an extreme action is indicated.

A comprehensive evaluation will be undertaken at the termination of all projects. The effectiveness of the assistance will be thoroughly explored and its implications for future assistance both in Panama and elsewhere will be studied. The dominant theme of the report of evaluation should be: What lessons has AID learned from the project which could be of use in the planning of new programs?

If the Mission does not have adequate staff to perform a comprehensive evaluation, TDY assistance should be requested. The terms of reference and scope of work for the evaluation should be defined in considerable detail before the evaluation task force is established.

The review of the comprehensive evaluation report will be conducted in the Mission in the manner appropriate to the seriousness of the problem. Normally the report will also be submitted to AID/W for information or approval if necessary.

EXECUTIVE OFFICE

Approved by: /s/James Megellas
James Megellas
Director

Robert E. Hensley

Distribution B

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TO : AID/W TOAID A-267 Date Sent: 8/13/65

FROM : USOM Bangkok

SUBJECT : Program Evaluation

REFERENCE: (a) AIDTO Circular A-12, (b) TOAID A-113, (c) TOAID A-2090

The concepts of program evalaation expressed in AIDTO Circular A-12 and the guidance provided for implementing effective mission evaluation plans will be extremely helpful in improving the evaluation plans underway in this Mission.

Although AIDTO Circular A-12 indicates that suggestions will be requested at a later date, it may be useful to record the evaluation plans and experience of USOM/Thailand since last October 1964.

The requirement contained in the 1964 project agreement for a joint Thai-USOM evaluation of the Accelerated Rural Development project by May 15, 1965, initiated our efforts to develop a Mission evaluation plan and organization. In October 1964, we began to plan for the ARD evaluation. About the same time, our Assistant Director for Finance was re-directing the emphasis of the project audits conducted by his Audit Division toward management type audits designed to measure performance against planned objectives. Since measuring performance against objectives is one of the elements of total evaluation (and there was a certain amount of capability available in the Office of Finance), and because we sought objectivity in assigning responsibility for the evaluation function, we delegated the responsibility for Mission evaluation to the Assistant Director for Finance, under the general guidance of the Mission Director. In addition to the facilities of Audit Division, one capable Mission employee with a background in engineering and education has been assigned to the evaluation group. We are recruiting for an additional employee with management analysis experience to round out our evaluation staff for the coming year's work. Our plan is for this group in the Office of Finance to be responsible primarily for the examination "of AK actual performance in relation to specific activity plans," (item 2a(1) of AIDTO Circular A-12). Item 2a(2) "the significance of completed and ongoing AID activities in terms of U.S. objectives" will be the primary responsibility



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of the new Research Division in the Office of the Assistant Director for Program. The work of these two groups will be closely coordinated. Our plans for this coordination are expressed in the attached chart. (Att. A)

The evaluation of the ARD project was conducted jointly by the USOM evaluation group in the Office of Finance, the USOM Research Division in the Program Office, and the Thai evaluation group in the National Statistical Office, in the Office of the Prime Minister. Although the concept of objective evaluation is new to Thai Government officials, their experience with the ARD evaluation has convinced them of the value of such a program. They are now making a study to determine where in their government organization to assign permanent responsibility for evaluations, not only for USAID programs but for their own development projects, as well. The National Statistical Office was chosen for the ARD project because the total evaluation involves two or three socio economic and attitude surveys which they are peculiarly capable to conduct.

Our experience with the ARD and MDU evaluations has pointed up several aspects of the problems that we need to study carefully in developing our future plans.

First, we need, as AIDTO Circular A-12 indicates, to develop more detailed project implementation plans incorporating measurable objectives adaptable to a regular reporting system to measure accomplishments against planned objectives. Too much time of the evaluation teams has been taken up with this aspect, which should be available from a good progress reporting system. Determining the effectiveness of operations must be done by physical inspection and analysis of operations.

Second, we need to determine more precisely for each evaluation the composition of the evaluation team. Many sources of recruitment, as indicated in Circular A-12, are available.

Third, we need to perfect a follow-up system to insure corrective action on those suggestions approved by the Mission and the Thai Government. This is especially important in Thailand where our evaluations have been and will probably continue to be performed jointly with the Thais.

Fourth, we have experienced some problems in conducting evaluations jointly with Thai and USOM personnel: (a) responsibility is divided which assumes importance in preparing the evaluation report which is related to problems (b) and (c) following; (b) the concept of objective evaluation is



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new to the Thais. Their customary administrative behavior patterns restrict them in being constructively critical of their superiors; (c) the language barrier is an obstacle in conducting the evaluations and preparing the report; and, (d) the Thai lack of experience in conducting objective evaluations of operations and reporting deficiencies in operations has severely limited the number of Thai Government officials who are available for assignment as members of the joint evaluation teams. They do recognize the value of such evaluations as well as their own limitations, especially in measuring and reporting objectively on the efficiency and effectiveness of operations. These problems can be overcome or minimized and at the moment we believe that the benefits of joint evaluations will outweigh the disadvantages.

We will be prepared to respond more specifically to your future requests for information and suggestions to assist in developing an agency-wide evaluation system.

RUSK

# ANNEX O

August 6, 1965

MEMORANDUM FOR THE ADMINISTRATOR

FROM: G.A. Lincoln, Special Advisor

SUBJECT: Organizational Implications at the Regional Bureau Level of an Increased Emphasis on Evaluation

1. I summarize here our thinking, to date, on the above topic. In AIDTO Circular A-12, 13 July 1965, the Administrator called for an increased emphasis on program evaluation as a basis for bringing about further improvements in programming and implementation. The message went on to define evaluation and to list certain principles considered to be generally valid and immediately applicable to our efforts to achieve more intensive and systematic evaluation.

2. These principles include that:

a. Evaluation should be considered a separate component of our activities distinct from, but related to and designed to support, the planning and execution of AID programs.

b. Responsibility for evaluation should be clearly established and administrative procedures should be designed to insure that evaluation is systematically carried out and the results utilized.

c. Evaluations should be organized and conducted in such a way as to involve the top management and operating elements of the organization. All responsibility for evaluation should not be delegated to any one office; nor should evaluation be dissolved into some other activity.

Although focused on evaluation at the Mission level, these guidelines are also relevant to a consideration of the organizational implications of an increased emphasis on evaluation at the Regional Bureau level.

3. As the principal line elements of the Agency responsible for programs within their respective regions, the Bureaus have a key role to play in any effort to give increased emphasis to evaluation. The Bureaus provide backstopping services for the Missions on which efficient field performance is significantly dependent. They are

the focal point for the review and approval of country assistance programs. And they are responsible for the formulation of policies governing activities within their regions. A more systematic program for learning from experience can increase the ability of the Bureaus to carry out these responsibilities.

4. The Bureaus, as well as their individual Missions, engage in a number of evaluation efforts, both periodic and ad hoc. There is, however, no central staff focus within any of the Regional Bureaus for the coordination and review of these various efforts. Evaluation is everyone's, and therefore, no one's responsibility. Without such a central point there can be no assurance that evaluation efforts are structured according to any plan, reviewed in advance against the priority needs of the regions or the Agency, and conducted so that the results are used with broadest possible effect.

5. This is not to suggest a need to locate in any one unit within a Bureau responsibility for actually conducting all evaluation efforts. The regional offices and the central staff offices will continue to perform selected evaluation functions. What is suggested is a need to provide each regional Assistant Administrator, who must carry the management responsibility for evaluation, with a staff resource capable of serving as a central focus for staff support of evaluation at the regional level. Specifically, this staff resource would:

a. Design, and monitor the implementation of, an evaluation system at the regional level.

b. Advise and assist the Missions in planning and installing interlocking and complementary evaluation systems at the Mission level.

c. Identify areas requiring more systematic evaluation, e.g., elements of an individual country program or inter-country comparisons of similar projects or sector programs.

d. Monitor and coordinate regional and Mission evaluation efforts, whether performed on a periodic or ad hoc basis, by contract or direct-hire personnel.

It is important to reiterate that the foregoing concept of a staff resource for evaluation does not mean inspection teams from Washington alighting on the field to harry Missions, each of which already feels overvisited and overworked. The challenge is to conduct evaluation activities in such a way as to assist, in positive fashion, the efforts of both the Missions and Washington to better achieve AID objectives. This will require a creative and imaginative approach which it seems unlikely the Bureaus will be able to provide unless some one individual is given the task as a full-time responsibility.

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6. Because of the differing organizational and administrative arrangements within each of the Regional Bureaus, no attempt is made here to recommend a specific organizational location in each Bureau for this staff resource. There are, however, several factors which need to be taken into account in considering where the staff resource should be located. These factors follow from the responsibilities to be performed. They are, in part, conflicting; some compromises will undoubtedly be required. For example:

a. The staff resource should be located sufficiently close to day-to-day operations to be able to recognize significant opportunities for evaluation efforts, and to insure that the results of these efforts are both usable and used; yet the staff resource itself should not be so immersed in immediate problems of planning or implementation that evaluation ends up being dissolved into these other activities. Staff responsibility for evaluation should not be assigned as a collateral duty to an individual or unit already burdened with other responsibilities unless sufficient additional resources are provided.

b. The staff resource should be located sufficiently close to the regional Assistant Administrator to know what his problems are and to be able to count on his backing.

c. The staff resource should have some management perspective if evaluation is to be a more useful tool for improving AID program performance.

d. The staff resource should be so located and so chartered as to guide evaluation of (1) mutually supporting types of assistance (for example, technical, capital, and P.L. 480 assistance, in support of rural development) and (2) alternative techniques (e.g., direct-hire vs. contract).

e. One of AID's deficiencies being communication, the staff resource should be so located and so chartered as to promote the remembering of, and the dissemination of evaluation results.

7. These requirements might be met in one of several ways. A separate unit with staff responsibility for evaluation might, for example, be established in one of the existing regional staff offices. Or, staff responsibility for evaluation might be delegated to a special assistant in the regional Assistant Administrator's office. The optimum location may vary from Bureau to Bureau.

8. Two regional Bureaus are known to be considering different organizational approaches in an effort to give increased emphasis to evaluation. In one, it has been recommended that a single point

of coordination for evaluation be provided by redesignating the Office of Development Planning as the Office of Development Planning and Evaluation. This office would have responsibility for organizing and conducting sector evaluations and for coordinating efforts to improve program execution. This approach has the advantage of tying staff responsibility for evaluation closely to the mainstream of programming decisions; it enhances the likelihood of a direct feedback of evaluation results; and, in keeping with our seminar meetings, it utilizes existing organizational resources rather than establishing a separate hierarchy for evaluation. But this approach also involves certain risks, e.g., evaluation may become immersed, to the point of submersion, in the other responsibilities of the Planning Office.

9. A second Bureau plans to establish a small unit in its technical support office, which would have responsibility for the staff aspects of evaluation and which would also directly undertake selected evaluations. It is not yet clear how this approach would implement points c, d and e in Paragraph 6.

10. A third alternative is that of the Special Assistant. This alternative would seem to meet the requirement for an identifiable staff resource with a broad perspective of the sum total of AID activities and not identified with or confined to any particular type of activity. There are the dangers, however, that the Special Assistant would lack an institutional base from which to deal with the Missions and regional staff offices, and would lack the administrative resources for dealing with peak loads of evaluation staff work.

11. Given the importance of a clear designation of staff responsibility for evaluation at the Bureau level and the fact that at least two of the Bureaus have specific proposals under consideration, I suggest that you discuss this matter with the Regional Assistant Administrators with the purposes of (a) getting forward on staff resources for evaluation at the Regional Bureau level and (b) getting as much uniformity as practical among the Regional Bureaus.

GAL:lcl;A/AID

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ANNEX P

August 30, 1965

MEMORANDUM FOR THE ADMINISTRATOR

THROUGH: EXSEC

SUBJECT: Organizational Implications at the Administrator's Level of an Increased Emphasis on Evaluation

1. We have previously discussed the organizational implications at the mission and regional bureau levels of an increased emphasis on evaluation. I summarize here our thinking to date on the organizational implications at the Administrator's level of such an emphasis.

2. There already exist a number of organizational units at the Administrator's level which undertake evaluation activities. These include: (a) the central program offices (e.g. PC, TCR, DFPE) which undertake evaluations as an adjunct to their policy formulation and guidance responsibilities; (b) the 5-man Operations Evaluation Staff, reporting to the Deputy Administrator, which conducts periodic performance evaluations of mission and headquarters staff; and (c) within TCR, the Office of Research and Analysis which monitors centrally-funded "evaluation research." It is noteworthy that, except for the OES, the assignment of any responsibility for evaluation activities is generally implicit rather than explicit in AID orders. Furthermore, the sum total of existent activities and assumed responsibilities fall short of adding up to implementing the definition of evaluation adopted by the Administrator.

3. None of these units serves the Administrator as a central staff resource for the overall planning and monitoring of evaluation. The absence of such a resource has been reflected in the evolution of the work performed by the Special Advisor and his assistants during the past year. Although initiated as a review of AID systems of evaluation, the need to provide the Administrator with detailed advice on the design and implementation of an improved evaluation system has caused us to function increasingly as a working staff resource. This evolution underlies one of our basic conclusions: a comprehensive AID evaluation system can only be built progressively on the basis of experience and, rather than relying on outside studies and reports, depends principally on continuous staff action with a strong leadership input from each of the three principal organizational units of AID -- Administrator, regional administrators, mission directors.

4. What is needed is a staff resource at the Administrator's level to provide agency-wide staff leadership in evaluating program performance and results, and in insuring the results of these evaluations are fully exploited to improve programming and implementation. More specifically, a central staff resource is needed to:

a. Carry forward initial steps of the Special Advisor in recommending to the Administrator organization, administration, standards, policies and procedures for a comprehensive, agency-wide evaluation system.

b. Advise and assist the staff resources for evaluation at the regional level in planning and installing complementary and interlocking systems within the regional bureaus.

c. Assist the central staff offices in identifying areas more suitable for their evaluatory efforts and on methods therefor.

d. Monitor, and advise the Administrator, on further development of a system for transfer of information and of a research and analysis program on methods of evaluation.

e. Keep continually informed of significant evaluation efforts completed, underway and planned; and help to insure that the results of these efforts are effectively communicated throughout the agency.

5. It should be emphasized that our concept of a staff resource for evaluation does not encompass the creation of a separate organizational heirarchy for the actual conduct of all evaluations. The individual missions, the regional bureaus and the staff divisions will carry the main operational load. What our concept of a staff resource for evaluation does encompass is the assignment to some one individual, single staff or unit of full-time responsibility for staff action at the Administrator's level, including monitoring of the entire program. In effect, we are looking for the provision of the detailed thinking, advice and observation to help the Administrator translate his personal concern for increased emphasis on evaluation into an operational reality.

6. This concept and the responsibilities outlined above suggest certain factors which need to be taken into account in determining the organizational location of the central staff resource for evaluation.

a. The effort to increase emphasis on evaluation requires the personal leadership, direction and involvement of the Agency's top command. The central staff resource for evaluation should therefore be located in close proximity, and have direct access, to the Administrator.

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Because the staff resource will lack command authority, his effectiveness will be directly proportional to the extent to which he is considered to (and does) speak for the Administrator on evaluation matters.

b. The staff resource should have an operational perspective: the design and installation of anything like a comprehensive evaluation system is going to take, in addition to command support, time, talent, tenacity and managerial ability. Dealing with evaluation in generalities will be of limited usefulness. Getting on with the job in the AID organizational and program context must be the paramount objective. Hence, a familiarity with the problems, concerns, and way of operation of the line chain of command is needed.

c. The staff resource for evaluation should also have an overall perspective of the wide range of agency activities and not be primarily associated with any particular form or method of assistance. Staff responsibility for evaluation should not be dissolved into some other activity.

7. We can identify four possible organizational locations for the evaluation staff resource at the Administrator's level. Staff responsibility could be delegated to: (a) one of the existing program staff offices (e.g. PC, TCR or DFPE); (b) the Office of Research and Analysis in TCR; (c) the Operations Evaluation Staff; or (d) a Special Assistant in the Administrator's office. Some of the advantages and disadvantages of these alternatives were discussed in our earlier memorandum on the organizational implications at the regional level of an increased emphasis on evaluation.

8. The first alternative of delegating responsibility for evaluation to one of the existing staff offices would have the advantage of tying the staff resource closely to the mainstream of programming (but not implementation) decisions and thus would enhance the likelihood of direct feedback of evaluation results at the AID/W level. It would utilize existing organizational resources rather than establish a separate hierarchy for evaluation -- although an additional staff subsection would seem to be necessary. There would be the danger, however, of evaluation becoming submerged in the other responsibilities of the particular office concerned, and might further result in a relative neglect of evaluation as it relates to improving implementation.

9. A second alternative would be to locate the staff responsibility for evaluation in the Office of Research and Analysis (ORA). Although this office now performs certain evaluation functions, it is chiefly concerned with the administration of the centrally-funded research budget

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and thus removed from direct involvement in the operational aspects of programming and implementation. As currently organized, this office is not located sufficiently close to the Administrator or his deputy to assure a close working relationship. (This point does not imply that ORA's present evaluation responsibilities would be altered by the creation of a separate staff resource for evaluation. Although we have stressed the relative importance of getting on with the job of evaluation, we have also recognized the continuing need for research, particularly on evaluation methods and criteria.)

10. A third alternative would be to broaden the responsibilities of the Operations Evaluation Staff to include the staff aspects of evaluation. This method would locate the staff responsibility in a unit reporting directly to the Deputy Administrator. On the other hand, OES is by the nature of its work detached from the day-to-day decision making aspects of the agency's programming and implementation systems. Its function is to make "executive reviews" of the operational performance and effectiveness of the AID organization through the method of visiting teams from AID headquarters to selected field missions -- whereas our focus is on "building into" AID's operations an improved evaluation system. The location in the OES would inevitably occasion a confusion, difficult to erase, between the OES operational activities and the staff responsibility.

11. There remains the fourth alternative of assigning staff responsibility for evaluation to a Special Assistant in the Administrator's office. This would appear to meet the requirements of close proximity to the Administrator and a broad perspective of total aid activities. It would exemplify the Administrator's personal concern for an increased emphasis on evaluation. The alternative keeps the future open for adjustments such as that mentioned in the following paragraph. There is the danger, however, that the Special Assistant might become isolated from operational concerns. This danger would need to be recognized at the outset and considered both in selecting the individual to fill the position and in determining the nature of his working relationship with the Administrator.

12. Although not immediately available, there is a future possibility which warrants brief mention here and which should be kept in mind in choosing among the existing alternatives. The recent Booz, Allen and Hamilton management survey recommended that the program leadership and oversight responsibilities of the Office of Program Coordination be broadened and that this office be recast as the principal staff arm of the Administrator. Should the Booz recommendation be implemented, it would seem logical to assign to the new office responsibility for the

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overview and coordination of the evaluation function, as the report, in fact, recommends. This arrangement would centralize in one office overall staff responsibilities for programming, implementation and evaluation. However, pending the creation of a central staff arm, we should move ahead on the basis of the alternatives now available. One of the points pertinent to these alternatives is that, currently, there is a grave question that any central staff division is now in a position to sponsor successfully a comprehensive evaluation program.

13. There is no perfect solution to the problem of the proper organizational location for the evaluation staff resource. Only actual experience is likely to indicate the most satisfactory arrangement. On the assumption that the way to begin is to begin and in the light of our assessment of the alternatives now available, we conclude that staff responsibility for evaluation should be assigned initially to a Special Assistant in the Administrator's office.

G. A. Lincoln
Special Advisor
to the Administrator

GALincoln/PFGeithner:mcs

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