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THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
COLOMBO, SRI LANKA

A SYSTEM FOR
"PURPOSE-LEVEL" MONITORING
(PLM)
ECONOMIC & SOCIAL DEVELOPMENT
PROJECTS

CASE 1

IRRIGATION MANAGEMENT POLICY SUPPORT ACTIVITY (IMPSA);
DEVELOPMENT STUDIES & TRAINING (DS&T) PROJECT (383-0085)

(CONTRACT # 499-0000-0-00-1029-00)

DR. KENNETH F. SMITH
Project Management Consultant

4517 TWINBROOK ROAD
FAIRFAX, VIRGINIA 22032
USA
PHONE: 703-978-1876

31 MAY 1991

Best Available Document

PREFACE

The purpose of the Scope of Work under this contract was to assist USAID/Sri Lanka develop a system for "purpose-level" monitoring (PLM) of the Mission's project portfolio. PLM is intended to provide USAID senior staff, project managers, project contract teams and Sri Lankan Government (GSL) counterparts with a semi-annual summary of information to assess project implementation progress and alert senior management to issues requiring their attention. PLM should thus serve as an "early warning" system to guide decision-making regarding modifications or adjustments, and future project directions.

Initially, I was asked to develop a draft system "reference document" and an initial PLM Report using the Development Studies & Training Project (383-0085) as one of two applied case study prototypes, for subsequent emulation, adaptation and/or replication as appropriate on other projects.

I reviewed the DS&T Project Paper and progress reports; discussed the project with members of the DS&T Project Committee; and examined the project files -- particularly various Project Implementation Letters (PILs), Project Implementation Orders (PIOs) for Technical Assistance (PIO/Ts) and Participant Training (PIO/Ps), as well as miscellaneous correspondence and consultants end-of-assignment reports. As a result of this review, my judgement is that as formulated and historically implemented developing new indicators for Purpose-Level Monitoring of this project (as presently constituted) is inappropriate and would serve no useful management purpose.

In essence, DS&T is a mechanism for funding rather than a project. DS&T provides "seed money" to facilitate the process of "policy reform" within the Government of Sri Lanka by supporting selected training and technical assistance for a variety of activities of priority interest to AID. Typical AID development "projects" on the other hand are designed and funded to furnish the inputs deemed necessary and sufficient to attain pre-defined, measurable achievements in particular geographic areas or technical sectors for pre-targetted beneficiaries within a specified time period. Thus -- as presently constituted -- DS&T did not provide the conceptual framework for a prototype Mission "blueprint" project to monitor progress towards attaining Purpose-Level objectives, as had been originally envisaged.

These findings were discussed separately with both the DS&T Project Manager and the Mission Evaluation Officer, and an alternate approach proposed -- with which they concurred. Instead of the "draft reference document" originally requested, a "Preliminary Assessment" was prepared which

summarized my findings and recommendations for the Project Committee's review and consideration, and presented issues and options for modifying the thrust of the project, as well as a rationale, framework, and illustrative indicators for monitoring major components of the project for its remaining life.¹

This document is the result of those deliberations as well as subsequent work with appropriate USAID, contractor consultants and GSL personnel. Consistent with the original intent of the Scope of Work, a prototype PLM System has been designed, developed, computerized² and applied to the Irrigation Management Policy Support Activity (IMPSA) -- a major sub-component of the DS&T Project -- with the initial sample report illustrating IMPSA status as of 31 March 1991. A description of this system -- together with representative computer "screens" -- is also included as another appendix. This constitutes all Deliverable Items for the Development Studies & Training Project (383-0085) under the contract.

Kenneth F Smith
Colombo, Sri Lanka
31 May 1991

Distribution:

USAID/Sri Lanka

- 2 - Randall Casey, PRM/PEP
- 2 - William Jeffers, PRJ
- 2 - (DS&T Project Officer, PRM/ECOW)[Ulrich Ernst]³

AID/W

- 1 - Chris Hermann ASIA/Eval
- 1 - PPC/Eval
- 1 - AID Library

¹Pertinent elements of that assessment are included as an Appendix in this document -- for reference -- as some of the background material contained therein may also be of use in subsequent project evaluations.

²An interactive Lotus 1-2-3 "Macro" System -- \PLM>IMPSA.WKO -- as requested by USAID.

³Dr. Ernst was consulted and participated in the review and discussions of this PLM system; however, he was transferred to a new post 31 May 1991.

PURPOSE-LEVEL MONITORING (PLM)
OF
ECONOMIC & SOCIAL DEVELOPMENT PROJECTS

INTRODUCTION

AID development projects are typically designed in a "blueprint" mode and -- in cooperation with the host country -- funded to furnish the inputs deemed necessary and sufficient to attain pre-defined, measurable impacts in particular geographic areas (and/or sectors) for pre-targetted beneficiaries within a specified time period. AID's "Project Paper" system is based on the "Logical Framework" methodology. While relegated to an annex in the Project Paper, the "Logframe" is intended to outline the project's developmental hypothesis and summarize the project's objectives, indicators and assumptions at various levels.¹ The body of the Project Paper expounds more fully on each of these aspects, as well as providing supporting justification, detail and required ancillary documentation.

Many proposed technical developmental endeavors are conceptualized and described in a blueprint manner with considerable confidence -- based on prior experience and/or scientific certainty. Engineering projects for example, have specific physical end-products, with known inputs to meet particular standards and/or conditions. Similarly, agricultural projects outline inputs, conditions and practices for attaining higher productivity in particular crops. Such technical projects can be planned, estimated, programmed and scheduled with a high degree of assurance, subject to suitable lead-times for delivering materials, and appropriate allowances for the vagaries of local site-specific environmental, social and political conditions. Nevertheless even well-defined technical projects frequently experience difficulties during implementation due to the surfacing of a variety of potential constraints -- collectively referred to as "Murphy's Laws".

Although difficult to implement, such technical projects are relatively easy to formulate compared to projects with avowed objectives of creating economic policy reform and social change. While socio-economic horizons can be described in macro-desirable terms such as "Shelter for All" or "Market-Driven Interest Rates", many of the means for achieving such lofty ideals are less well known; known

¹In essence, the "Inputs" define the resources to do the project; the "Outputs" stipulate the activities and what is to be produced, while the "Purpose" level synthesizes why the project was undertaken and describes the changed attitude or environment that should prevail when the project is successfully completed.

constraints are often intractable; and cause-effect consequences are even less predictable than typical blueprint projects.

Uncertainty is intrinsic to the very process of strategy formulation -- as well as in designing subsequent courses of action and implementation. Thus, during the early stages of policy reform, exploring various options through "trial and error" activity directed towards mutually-agreeable "targets of opportunity" is generally the most productive approach for identifying and clarifying more precise project opportunities and solidifying support for subsequent efforts.² Indeed, in this regard, "Alice's dilemma" (outlined below) is not an uncommon one.

"Cheshire Puss," she began, rather timidly,
 ". . . would you tell me please, which way I
 ought to go from here?"
 "That depends a good deal on where you want to
 get to," said the Cat.
 "I don't much care where . . ." said Alice.
 "Then it doesn't matter which way you go," said
 the Cat.
 ". . . so long as I get *somewhere*," Alice added
 as an explanation.
 "Oh, you're sure to do that," said the Cat, "if
 you only walk long enough."³

Although a "results orientation" and "road-map" is obviously preferable, it is irrational to abstain from engaging in an activity simply because its outcome cannot be quantified, the route is largely uncharted, and/or the timing of the journey cannot be precisely estimated. However, premature attempts to define ends, means, and milestones towards those ends can be frustrating, futile, and more often than not fatuous. The trick is knowing when to start, for all too often, policy development projects are continued in this open-ended mode with no rational end-point specified, or intermediate accomplishments scheduled by a finite Project Assistance Completion Date (PACD). In monitoring projects under such poorly-defined situations, action is often the only proxy for accomplishment.⁴

²This is precisely how DS&T has operated.

³Lewis Carroll, Alice's Adventures in Wonderland (New York: The MacMillan Company, 1963), p. 59.

⁴Furthermore, after the fact, although a logical chain of events may be established from the provision of some job-related training and/or technical assistance to particular policy changes and macro-economic results, such inputs are rarely solely sufficient to bring about the change. Consequently, it is usually stretching credibility to attempt to attribute macro-beneficial effects to relatively minor financial inputs and/or levels of effort supported by AID.

Ultimately, in approaching economic policy reform issues, specific policy objectives should be formulated and a strategy developed for attaining them. At this point, the need arises for a systematic monitoring process to periodically assess the status of project implementation, and a flexible "learning process" management stance which can be responsive to get the project "back on track" -- or to adjust expectations.

That is precisely what this Purpose-Level Monitoring System can assist Management to do. The system is described in detail on the following pages for one significant component of the DS&T Project -- The Irrigation Management Policy Support Activity (IMPSA).

PURPOSE-LEVEL MONITORING (PLM) PRECEPTS

USAID/Sri Lanka is currently in the process of establishing a purpose-level monitoring (PLM) system to measure progress toward accomplishing program and project objectives outlined in the Mission project portfolio. In order to fulfill this function, it is essential to:

1. Identify meaningful indicators of project purpose-level accomplishment, and
2. Institute a systematic, objectively-verifiable means for tracking progress towards those ends.

This system is intended to complement the current Quarterly Project Implementation Report (PIR) -- which defines key project objectives, financial information, monitors performance against key indicators, and describes future plans, as well as constraints, issues and problems. Rather than attempting to enumerate specific types, quantities and/or levels of inputs supplied to and outputs produced by each project -- a legitimate accountability function of the PIR -- the focus of PLM is to assess project status, and highlight where additional interventions may be required by USAID senior staff, project managers, project contract teams and/or Sri Lankan Government counterparts to further implementation progress.

Purpose-level monitoring has been described very succinctly as follows:

1. Begin with a clear statement of project purpose(s)
2. Select indicators that track progress towards the purpose/objective
3. Report data over time for the indicators
4. Analyze the data in respect to what progress is (or is not) being made.

Despite such clarity, continual AID/Washington advocacy and exhortations, establishing a "Simple Monitoring System" is easier said than done. Towards this end, USAID/Islamabad has already developed some guidelines and recommendations,¹

¹USAID/Islamabad's Purpose-Level Monitoring, Anonymous, undated (Circa. February 1990).

the essence of which is outlined below. After careful review, I concur with most of these recommendations, and (except where noted) have observed and conscientiously applied them in developing this prototype system for USAID/Sri Lanka. [Several comments regarding internal USAID mission responsibilities for processing the reports are beyond my cognizance, but are commended to the attention of appropriate Mission personnel for their consideration.]

Developing the System

1. Follow a Standard Format.
2. The Project's contract Team should participate in developing the PLM.
3. Planning for PLM should be part of the information system for all new projects -- including budget and provisions for data collection.
4. PLM should be a semi-annual or annual report, consisting of:
 - a. A statement of project purpose(s)
 - b. A table listing the indicators
 - c. Time series data for those indicators
 - d. An analytic interpretation explaining what the indicators show or mean in respect to progress toward project purpose(s), or the lack thereof
 - e. No more than 2 - 3 pages, once the system is established.
 - f. An initial report presenting important elements of the project purpose(s), a brief discussion of why the particular indicators were selected, and what they will show or mean in respect to purpose-level progress.

Purpose Statements

1. State Project purposes as clearly and unambiguously as possible
2. Clarify purpose statement from project papers, if necessary. Modify purpose statements in project papers where the original statement is poorly formulated or does not accurately capture the current direction of the project or its sub-components.²
3. Establish separate purpose statement for major sub-components of "umbrella" projects

Indicators

1. Limit the number of indicators³
2. Select indicators that are capable of showing either progress or the lack of progress
3. Select indicators that minimize the need to collect additional data
4. For projects that support policy reform and/or institutional development, a "Critical Events" agenda should be formulated to track progress based on a set of qualitative benchmarks. This consists of major accomplishments or benchmarks over the life of the project that constitute significant progress toward the institutional development objectives of the project. The indicator that is reported is the percentage of items on the agenda accomplished to date. The agenda should not include trivial items -- i.e. ones that are very likely to occur irrespective of the project, or items that do not reflect project assistance.⁴

²USAID/Islamabad notes that the tendency to try to "sell" a project in AID often results in purpose and goal statements that set unrealistic standards or objectives. They therefore advise that for PLM to work, purposes need to represent development results or objectives that the project can at least influence or affect.

³More than ten or so indicators per project (or major project component) are probably too many.

⁴Several items that are unlikely to be achieved, but are highly desirable, should also be included, making a high percentage of accomplishment (i.e. above 70%) a measure of significant institutional change and improvement.

5. Measure aspects of institutional operation or performance, policy conditions or associated procedures, the status of a specific population or other social and economic changes that the project influences -- at least partially -- through its interventions.⁵
6. Indicators must have "face validity" -- i.e. a logical and direct connection to the project's activities.
7. Find purpose-level indicators that reflect the results of one or more project interventions.
8. Use existing government reports and records (publications) to the extent possible.
9. Establish project information systems to generate or obtain the necessary data.
10. Use acceptable proxy substitute indicators with data that can be readily obtained from available sources, rather than "perfect" technically-correct indicators that require additional data collection.
11. Use quantitative measures whenever possible. It is recognized that in many projects -- particularly institutional development projects -- purpose-level progress cannot be readily monitored by quantitative measures.⁶

⁵In some cases, indicators that may appear to be output "counts" can actually reflect purpose-level progress.

⁶In such instances, standard measures of institutional performance -- such as budgetary data, personnel assignments and staffing levels, operational statistics and cost per unit of service delivery should be used to monitor improvements in institutional performance and efficiency. Even the availability of new data on the operations of the institution may be an indicator of progress.

Time-Series Data

Use a Lotus 1-2-3 spreadsheet to produce tables containing:

1. A column of indicators
2. The time series data for the indicators, and
3. The percentage change from the last reporting period (A simple percentage increase between reporting periods is sufficient for the majority of projects.)
4. Indicators should be grouped in sections corresponding to the area of project activity monitored.
5. The initial report should contain some retrospective data -- i.e. data from the preceding year or two -- as the baseline -- where possible. [Where this is not possible, data for the most recent or current year will suffice.]

Interpretation of Indicator Data

1. The PLM report should contain a 1 to 2 page interpretation of the data in each table, discussing what the indicators show about progress towards project purpose.
2. In the first report, the analysis should describe the baseline situation.
3. Interpret the data in language non-technical specialists can understand.
4. Note the pace of progress from one reporting period to the next.
5. Address the question of "what difference is this project making" for senior management review.

⁷This is one recommendation of USAID/Islamabad's that I have deliberately not adopted. From my perspective, in monitoring project performance to highlight progress, the percentage change from the last reporting period is less significant than the current deviation from the current plan. Thus time series monitoring data should reflect performance against plan -- i.e. compare current status against cumulative-plan-to-date. By recording this measurement over time, overall trends are also highlighted.

Producing the PLM Reports

1. Make PLM report generation a regular part of implementation reporting by the project's contract implementation team
2. Requirements for PLM reporting should be made part of contract agreements.
3. PLM reports should be produced semi-annually.

Mission Management Review Process

1. Establish a regular semi-annual PLM review where separate sessions are conducted for each technical office
2. PLM reports should be submitted to AID project officers by the contract team
3. Each office should review the PLM reports and prepare a one-page list of key points/issues to be discussed -- particularly those that require action by senior management -- for the projects in their portfolio. This report should be submitted to the Projects Office.
4. PLM reviews should be organized by the Projects Office and conducted by the Director or Deputy Director. The chief of the technical office should discuss sectoral issues with presentations of the PLM reports by the project officers. Support offices should attend.
5. The chief of party for the project, and government counterparts -- perhaps a senior ministry official and key staff person -- should be encouraged to participate.
6. Avoid unnecessary discussion of "nuts and bolts" implementation issues. The discussion should focus on progress toward achieving the project's purpose(s).
7. The PLM review should produce:
 1. Decisions about actions to be taken,⁸ and
 2. Responsibility for those actions.

⁸These decisions could include revising purpose statements and indicators.

8. The Projects Office should be responsible for summarizing these actions and follow-up to assure that the status is included in subsequent PLM reviews.

Integrating PLM with Current Mission Monitoring Systems

1. PLM reporting should be in place of -- instead of addition to -- some portion of the current project monitoring and reporting workload.
2. Review existing systems for redundancy.
3. Eliminate or modify unnecessary aspects of existing reporting/monitoring systems requirements, and integrate PLM with the overall system.⁹ A combined review that focuses on PLM reports and uses other (i.e. PIR) data only as necessary in the discussion of purpose-level progress seems the best option.
4. The Program Office should prepare progress reports on cross-cutting issues and problem areas for those issues/areas that are not adequately covered in the PLM reports. Special review sessions on these topics should be added to the PLM reviews once a year.
5. To the extent possible, use the PLM reviews to reduce, if not substitute for Annual Action Plans.

⁹The mission has the option of reviewing the data from PLM and other reports (i.e. the PIR) either separately or in combination. Separate reviews have the advantage of assuring that purpose-level progress receives adequate attention and is not subsumed by implementation "nuts and bolts". The disadvantage is that a separate review introduces yet another set of review sessions into the mission's annual work schedule.

Limitations to PLM

There are several important limitations to the use of purpose-level monitoring that mission management should keep in mind:

1. The initial iteration of the system should be viewed as a pilot effort that will need refinement. There are bound to be problems with purpose statements, indicator selection and data availability that will not become apparent until PLM goes through at least the first iteration. Part of the first round with PLM should be to test the system, and make refinements as needed.
2. Caution should be observed in attributing too much to AID's influence. For the majority of projects, at least some of the indicators will be affected -- sometimes substantially -- by factors other than AID's project. In interpreting PLM indicators, note what other factors may be involved with changes (or the lack of change, especially where AID is a comparatively small player among other donors, and the host government's own investments.¹⁰
3. Comparisons of purpose-level progress among projects -- even within the same sector, but especially across sectors -- should be made with considerable caution. PLM reviews need to recognize that differences among projects in respect to their stage of implementation, the difficulty of the problem they are addressing, the priority the host government assigns to the project, and numerous other factors will account for different rates of progress.¹¹
4. PLM indicators can aid in assessing impact but such progress is not necessarily sustainable. Impact is not apparent for sometime after the project is completed -- i.e. the lag between improving the delivery of a service and an increase in socio-economic standards.

¹⁰Other indicators may be equally subject to the vagaries of weather, the domestic economy and international market conditions.

¹¹New projects and recently amended projects generally take more than a year of implementation before noticeable progress toward purpose-level objectives can be expected.

PURPOSE-LEVEL MONITORING (PLM) SYSTEM DESCRIPTION

Policy Reform-type projects differ significantly from Technical "blueprint" type projects, in that the purpose of the project is selected intervention to bring about the means for change; rather than directly making such changes. Thus the process towards instituting the policy reform -- i.e. the critical events agenda -- is monitored; rather than recording quantitative statistical technical indicators in the environment and attempting to interpolate progress towards the "more, better" levels targetted in the Project's purpose-level EOPS.

The Purpose-Level Monitoring (PLM) System for USAID/Sri Lanka's Policy Reform-type Projects is primarily a chart and graphic checklist representation of the project. The chart/checklist is used in conjunction with an interactive Lotus 1-2-3 program to define the project plan and record the current status in statistical summary terms. The "Package" is comprised of eight major elements, as follows:

1. Project Background Statement -- Narrative Summary Statement of Project Purpose-Level Objectives and miscellaneous key statistical data¹
2. Activity Rationale & Critical Events Flow Chart²
3. Workplan and Schedule of Critical Events³

¹Essentially the type of information and format contained in the Mission's current Project Implementation Report (PIR) is appropriate. The data should be based on the Project Paper (PP), Project Agreement (ProAg), or -- in the case of a sub-project component -- the Project Implementation Order for Technical Assistance (PIO/T).

²A computer-developed format based on the PP, ProAg or PIO/T. Specifically the information in this chart is a modification of the Project Logframe to reflect current implementation experience and perceptions of what is realistic, and the major steps towards attaining those ends -- i.e. the Project Purpose.

³An interactive Lotus 1-2-3 matrix of target dates for accomplishing/reaching the critical events for major objectives (and/or listing of key components) -- based on estimates from the Project's current Implementation Plan. [The data could also be developed and/or derived from an updated time-phased Bar Chart or PERT/CPM Network.]

4. Project Manager's Periodic Reporting Format -
- Current Status of Critical Events⁴
5. Time Series Spreadsheet for recording and
computing Project Manager's Periodic Report,
and comparing Progress against Plan⁵
6. Analytical Worksheet of Project Manager's
Periodic Report⁶
7. Graphic Analysis (Time Series)⁷
 1. Project Progress towards Purpose-level End
of Project Status (EOPS) -- Cumulative Line
Graph
 2. Project Current Status vs Cumulative Plan
to Date -- Histogram of Percentage
Deviation from Plan
 3. Project Cumulative Performance of the rate
of accomplishing work and expending funds,
as compared to the Project Budget and Work
Plan -- "S-Curve"⁸
8. Narrative Analysis of Project Status⁹

Each of the foregoing is illustrated on the following pages with respect to DS&T's IMPSA component.

⁴A Manual Report Form. The format is computer-generated -- combined with the Activity Rationale & Critical Events Flowchart (identified as Item 2 on the previous page) -- for manual updating by the appropriate GSL manager, contractor, or project manager.

⁵An interactive checklist of critical events -- intrinsic to the Lotus 1-2-3 PLM>IMPSA.wk0 macro software program.

⁶Either computer-generated as a by-product of the Lotus 1-2-3 PLM>IMPSA.wk0 macro software program; or manually updated from the Lotus data.

⁷Produced by Lotus 1-2-3 as by-products of the Time Series Spreadsheet data.

⁸A sample format is provided to illustrate the pattern and analytical usage. However, since the project budget was not originally cast in this manner, such relational data is not currently available. The Project Officer, consultants and IMPSA Secretariat will analyze the IMPSA scope of work and budget and attempt to restructure it to meet this need for future monitoring purposes.

⁹Prepared by the implementing GSL project manager, contractor and/or USAID Project Officer.

PURPOSE-LEVEL MONITORING (PLM)
OF
USAID/SRI LANKA'S POLICY REFORM PROJECTS

CASE 1

DEVELOPMENT STUDIES & TRAINING
(DS&T) PROJECT
(383-0085)

IRRIGATION MANAGEMENT POLICY
SUPPORT ACTIVITY (IMPSA)

IRRIGATION MANAGEMENT POLICY SUPPORT ACTIVITY (IMPSA)**PROJECT BACKGROUND STATEMENT**

The Purpose of the Development Studies & Training (DS&T) Project is to assist selected Sri Lankan agencies identify and implement sound development policies and programs, and to provide specialized short and long-term training.

Within that overall scope, the IMPSA component is a \$899,800 "buy-in" to a Centrally Funded Regional Irrigation Support Project for Asia & Near East (ISPAN) to support the continued development of the Government of Sri Lanka's (GSL) participatory irrigation management policy. Specifically, IMPSA's objectives are to assist the government in its efforts to identify gaps in the present policy framework, overcome constraints, and transform and strengthen the institutions responsible for implementing these policies.

Essentially, IMPSA will assist the GSL establish a high level Irrigation Management Policy Advisory Committee (IMPAC) -- consisting of Secretaries, Heads of irrigation and water management-related Departments and Divisions -- to provide oversight and guide the policy-planning process, provide a basis for inter-ministerial and inter-departmental review and agreement on policy recommendations, and submit agreed policy documents to the cabinet for consideration, and draft legislation when needed. IMPAC will establish a secretariat to organize and undertake its work.

Some institution-building activity will be undertaken by the project to strengthen the GSL capability to conduct policy-level workshops, as well as to develop information systems for monitoring irrigation scheme management.

The prime focus of IMPAC will be in initiating a series of workshops, meetings, and studies on a wide variety of aspects impinging on Irrigation Management. Through these workshops -- with the collaboration of senior government officials, local consultants and a limited number of foreign specialists -- IMPAC will develop a series of working papers on various topics which ultimately will be synthesized into policy papers, and recommendations for government Departments, as well as Cabinet-level action.

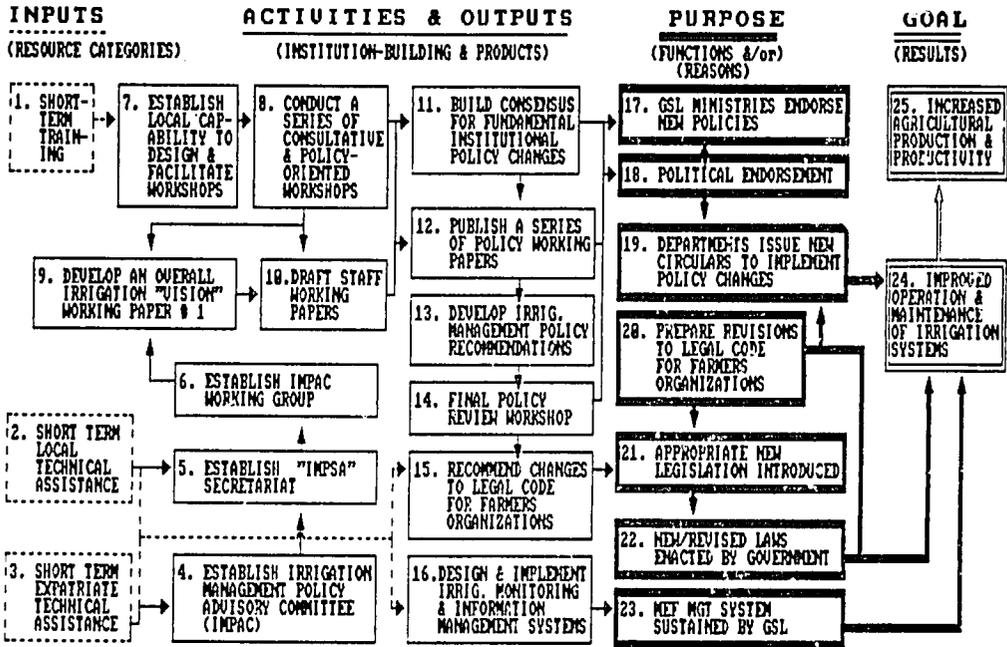
The flow-chart on the following page outlines the IMPSA Rationale and Critical Events to be monitored by the PLM System.¹

¹This Rationale and Critical Events were developed in close conjunction with USAID/Sri Lanka/AGR & ENG IMPSA managers; implementing contractors and personnel in the IMPSA Secretariat.

DEVELOPMENT STUDIES & TRAINING PROJECT IRRIGATION MANAGEMENT POLICY SUPPORT ACTIVITY (IMPSA) (383-0085)

16

ACTIVITY RATIONALE & CRITICAL EVENTS



IRRIGATION MANAGEMENT POLICY SUPPORT ACTIVITY (IMPSA)

CRITICAL EVENTS

INPUTS

1. Short-term Training
2. Short-term Local Technical Assistance
3. Short-term Expatriate Technical Assistance

ACTIVITIES & OUTPUTS

4. Establish Irrigation Management Policy Advisory Committee (IMPAC)
5. Establish "IMPSA" Secretariat
6. Establish IMPAC Working Group
7. Establish Local Capability to Design & Facilitate Policy Workshops
8. Conduct a Series of Policy-Oriented Workshops
9. Develop an Overall Irrigation "Vision" -- Working Paper # 1
10. Draft Staff Working Papers
11. Build Consensus for Fundamental Institutional Policy Changes
12. Publish a Series of Policy Working Papers
13. Develop Irrigation Management Policy Recommendations
14. Final Policy Review Workshop
15. Recommend Changes to Legal Code for Farmers Organizations
16. Design & Implement Irrigation Monitoring & Information Management System

PURPOSE

17. GSL Ministries Endorse New Policies
18. Political Endorsement of New Policies
19. Departments Issue New Circulars to Implement Policy Changes
20. Prepare Revisions to Legal Code for Farmers Organizations
21. Appropriate New Legislation Introduced
22. New/Revised Laws Enacted by Government
23. Monitoring Evaluation & Feedback Management Information System Sustained by Government

GOAL

24. Improved Operation & Maintenance of Irrigation Systems
25. Increased Agricultural Production & Productivity

In addition to the "Vision" Paper (Activity/Output # 9 on the previous page), nine other major Policy Working Papers will eventually be produced -- after a series of staff working papers, field research and consultative workshops; as follows:

WORKING

PAPER # TOPIC

2. Institutional Framework for Management of Irrigation Systems and Building Farmers Organizations
3. Achieving High Performance in Irrigation Systems: Strategies for Operation and Maintenance, and Rehabilitation and Modernization of Irrigation Systems
4. Modernizing the Irrigated Agricultural Sector: Transformations at the Macro-Institutional Level
5. Sustainable and Productive Resource Management: Macro Policies for Land & Water Resources
6. Achieving High Productivity in Irrigated Agriculture: The Program for Research and Development for Technology Innovation and Diffusion
7. Human Resource Development in the Irrigated Agricultural Sector: Achieving the Potential
8. Promoting Profitable Irrigated Agriculture" Trade and Fiscal Policies
9. Future Irrigation Investment Policies
10. A Programme for Modernizing Irrigated Agriculture and Management

The progress of each of these major Policy Working Papers will be monitored by the Purpose-Level Monitoring System

A B C D E F G
 TO MODIFY PLANNING DATES: Move Cursor to appropriate cell
 HIT F2 Key; Then EDIT @DATE(89,10,1) -- i.e. 1 Oct 89
 WHEN YOU HAVE FINISHED UPDATING THE PLAN, HIT: [ALT] C

DEVELOPMENT STUDIES & TRAINING (DS&T) PROJECT (383-0085)
 IRRIGATION MANAGEMENT POLICY SUPPORT ACTIVITY
 WORK PLAN - Estimated DATES to complete various critical events

A	N	O	P	Q	R	S
PURPOSE						
ACTIVITY	16	17	18	19	20	21
WP1	////////////////	Mar-91	////////////////	////////////////	////////////////	////////////////
WP2	////////////////	Feb-94	Feb-94	Feb-94	Feb-94	Feb-94
WP3	////////////////	Feb-94	Feb-94	Feb-94	Feb-94	Feb-94
WP4	////////////////	Feb-94	Feb-94	Feb-94	Feb-94	Feb-94
WP5	////////////////	Feb-94	Feb-94	Feb-94	Feb-94	Feb-94
WP6	////////////////	Feb-94	Feb-94	Feb-94	Feb-94	Feb-94
WP7	////////////////	Feb-94	Feb-94	Feb-94	Feb-94	Feb-94
WP8	////////////////	Feb-94	Feb-94	Feb-94	Feb-94	Feb-94
WP9	////////////////	Feb-94	Feb-94	Feb-94	Feb-94	Feb-94
WP10	////////////////	Feb-94	Feb-94	Feb-94	Feb-94	Feb-94

May-91 06:33 AM

TIME-SERIES SPREADSHEET

For Recording and computing Project
Manager's Periodic Report, and comparing
Progress against Plan

The total number of items to be monitored -- i.e. the number of critical activities & events, multiplied by the appropriate number of stages -- is converted to 100%. Each item is then assigned an equal weighted percentage. [In this instance, there are 114 items; thus the weight for each item is 0.88%]

When the activity is checked "X" as having been satisfactorily completed, the weighted credit is given for that item.

When the planned date for completing that item is reached, the weighted credit is allocated to that item.

A comparison of the summations for the Actual and Planned columns thus reveals the performance against plan in percentage terms.

Z AA AB AC AD AE AF AG AH
 TO UPDATE: Use [CTRL]+Arrow keys to Move Cursor to TIME FRAME & cell
 ENTER "X" If Activity is Satisfactorily Completed
 OTHERWISE -- LEAVE BLANK (NOTE: Use /re [ENTER] to delete errors)

 WHEN YOU HAVE FINISHED UPDATING CURRENT STATUS, HIT: [ALT] C
 DEVELOPMENT STUDIES & TRAINING (DS&T) PROJECT (383-0085)
 IRRIGATION MANAGEMENT POLICY SUPPORT ACTIVITY

Z	AA	AB	AC	AD	AE	AF	AG	AH
				STATUS AS OF:	2ndQ FY91			
					Mar-91			
					ENTER "X"			
					if SATIS.	ACTUAL	PLAN	
LINE OBJECTIVE/ ACTIVITY	EVENT NO.	WEIGHT	PLANNED COMP DATE	COMPLETE		WEIGHT	WEIGHT	
ESTABLISH IMPAC				*				
	4	0.88%	Mar-91	X		0.88%	0.88%	
	5	0.88%	Mar-91	X		0.88%	0.88%	
	6	0.88%	Mar-91	X		0.88%	0.88%	
DEVELOP TNG CAPACITY								
	7	0.88%	Mar-91	X		0.88%	0.88%	

May-91 06:44 AM

Z	AA	AB	AC	AD	AE	AF	AG	AH
		STATUS AS OF:			2ndQ FY91			
					Mar-91			
					ENTER "X"			
LINE OBJECTIVE/ ACTIVITY	EVENT NO.	WEIGHT	PLANNED COMP DATE	if SATIS. COMPLETE	ACTUAL WEIGHT	PLAN		
	18	0.88%	Feb-94					
	19	0.88%	Feb-94					
	20	0.88%	Feb-94					
	21	0.88%	Feb-94					
	22	0.88%	Feb-94					
-----		-----		=====		=====		
SUMMARY STATUS =	114	100%		2ndQ FY91	8%	8%		
	ITEMS	TOTAL		Mar-91	ACTUAL	PLAN		
		WEIGHT		CUMULATIVE PERFORMANCE				
				0%				
				DEVIATION FROM PLAN				
				neg # = BEHIND schedule				
				0 or pos # = ON schedule				
				////////////////////////////////////				

May-91 06:38 AM

**ANALYTICAL WORKSHEET OF
PROJECT MANAGER'S PERIODIC
REPORT**

Computer-generated as a by-product of
the Lotus 1-2-3 PLM>IMPSA.wk0 macro
software program

DEVELOPMENT STUDIES & TRAINING (DS&T) PROJECT (383-0085)
IRRIGATION MANAGEMENT POLICY SUPPORT ACTIVITY
USAID/SRI LANKA

SUMMARY PROGRESS TABLE

AS OF:	2ndQ FY91	4thQ FY91	2ndQ FY92	4thQ FY92	2ndQ FY93	4thQ FY93
MONTH:	Mar-91	Sep-91	Mar-92	Sep-92	Mar-93	Sep-93
PLAN	8%	22%	40%	51%	53%	53%
ACTUAL	8%	0%	0%	0%	0%	0%
%DEVIATION	0%	-100%	-100%	-100%	-100%	-100%

GRAPHIC ANALYSIS

1. Line Graph of Cumulative Performance for Life of Project -- comparing Actual Progress vs Plan
2. Periodic Histogram of % Deviation from Plan for Life of Project -- comparing Actual vs Plan [i.e. 0 baseline in center of chart]

These charts are computer-generated as a by-product of the PLM>IMPSA.wk0 Lotus macro software program for viewing on-screen. However, normal Lotus menu procedures must be utilized to name & save the graphics as unique charts and files; and Lotus PrintGraph subsequently invoked to print copies for documents.

3. "S-Curve" of Cumulative Budget Expenditures for Work Performed for Life of Project -- comparing Actual Progress vs Plan

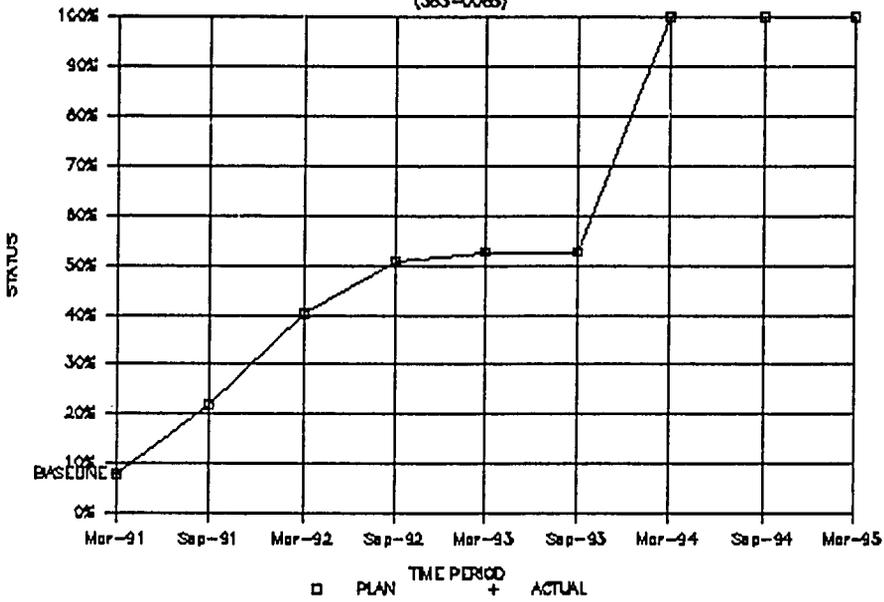
[Note: "X" axis = % of planned work performed
 "Y" axis = % of planned budget expended]

The intercepts for these two values is then plotted for particular time periods -- i.e. the semi-annual review]

This chart can be produced from the Lotus 1-2-3 \PLM>SCURVE.wk0 macro software program. However, although the budgetary and work planning & performance data are entered interactively, and the graph is automatically generated from this information, S-CURVE.wk0 is a Stand-Alone Program and is not linked to IMPSA.wk0.

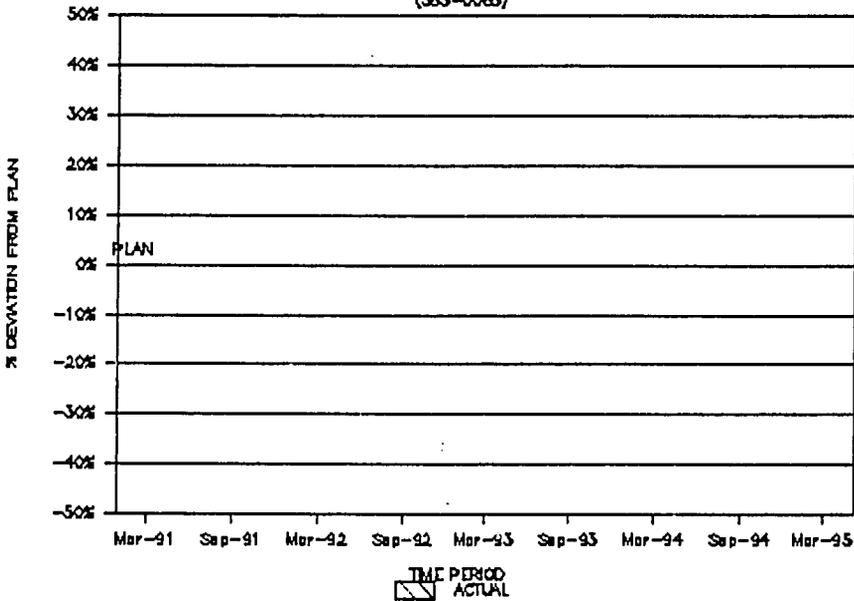
DS&T PROJECT - IMPSA

(363-0065)



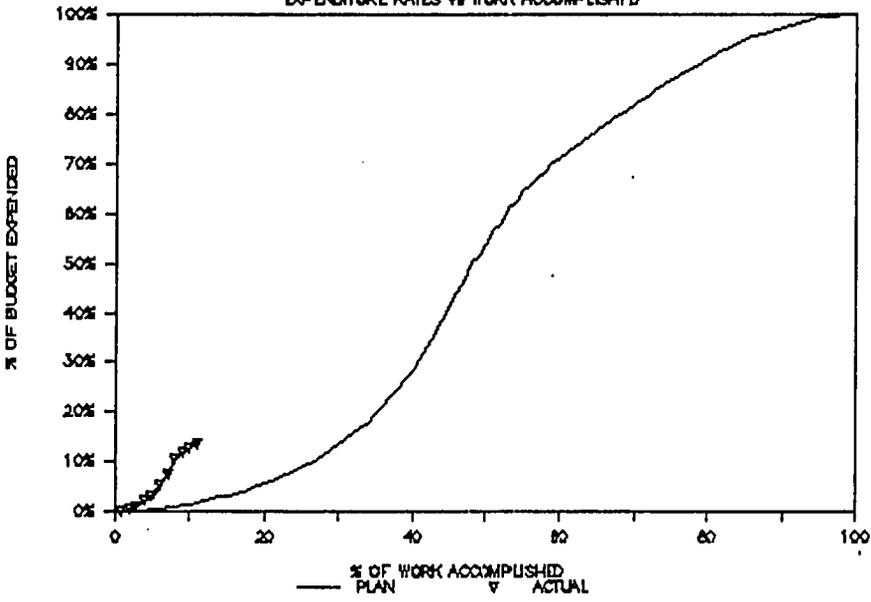
DS&T PROJECT - IMPSA

(363-0065)



SAMPLE S-CURVE PERFORMANCE ANALYSIS

EXPENDITURE RATES vs WORK ACCOMPLISHED



SUMMARY, LESSONS LEARNED & RECOMMENDATIONS

The foregoing pages outline a basic working method for systematically monitoring the performance and progress of a Policy Reform-type Project towards attaining its Purpose-level objectives.

The methodology is relatively easy to apply -- and can be used either manually, or semi-automatically, by modifying the two interactively designed LOTUS 1-2-3 Macros:

\PLM>IMPSA.WKO and \PLM>SCURVE.WKO

The basic pre-requisites for using the complete System are:

1. A Clearly Defined Objective, and the Means for Attaining it -- i.e. an Updated Logical Framework Statement
2. A Time-Phased Plan of Action -- i.e. A Project Workplan, with major Milestones and Critical Events/Activities and estimated dates for attaining them
3. A Time-Phased Budget related to the WorkPlan

LESSONS LEARNED

Five major lessons were learned during the prototype development, which Mission Management should take into consideration in deciding whether to continuing pursuing this system:

1. Policy-type Projects are largely dependent upon monitoring Output Critical Events as indicators towards attainment of the Project Purpose. Few quantitative leading-indicators of progress are apparent.
2. Project Log-Frames and Work Plans are not always consistent or current. Thus, depending upon their state, it may take considerable time and effort on the part of the USAID Project Officer, the implementing contractor and GSL counterparts to review and rethink the Project through conceptually; rework the Project Log-Frame, and develop a new Work Plan.
3. Although not all Critical Events in the process are of equal importance, attempting to assign relative weights to the different steps is a difficult, highly subjective and time-consuming exercise which ultimately does not enhance the efficacy of the monitoring process.

4. The S-Curve Technique (and Graph) is a powerful tool for monitoring performance. The S-Curve shows whether the Project costs are going out of control -- not simply the rate of disbursement provided by standard financial monitoring approaches. However, if the project was not designed to relate planned work with planned cost, it may be extremely difficult if not impossible to retroactively apply the S-Curve to on-going Projects.
5. Attainment of many of the Purpose-level objectives is beyond the Life-of-the-Project. Thus, unless AID can devote additional resources and attention to monitoring the status and progress of completed projects, some project Purposes may be less than 100% achieved at the PACD, even if the projects adhere to their plan.

RECOMMENDATIONS

Based on my experience in developing this PLM system, the following four recommendations are offered:

1. This Purpose-Level Monitoring System (PLM) should be integrated with the Mission's present Project Implementation Report (PIR) System -- as much of the data is required for both.

2. The 2nd and 4th Quarters of the Fiscal Year (i.e. as of the end of March and September) reporting cycles should be used for PLM -- as opposed to the Quarterly Review of Inputs, Outputs, Pipeline Analysis, and/or other aspects under the PIR -- if semi-annual attention is to be focussed on the Project's Purpose-Level. This cycle would minimize difficulties for reporting and review during the Mission's personnel-constrained seasons of Home Leave and Christmas.

3. With the possible exception of the S-Curve Technique, I recommend that the PLM System be retrofitted to most of the Mission's major project components.

4. The work and budgets of new Projects -- and major new components of existing projects -- should be related during the planning phase, and the S-Curve technique applied thereafter to monitor progress. [A Bar Chart (and/or PERT/CPM Networking) System can be used to plan and develop this aspect. Time-line and Microsoft Project are two relatively easy microcomputer software packages which can be used for this purpose.]

APPENDICES

APPENDIX 1

**EXTRACT FROM THE
PRELIMINARY ASSESSMENT OF THE
DEVELOPMENT STUDIES & TRAINING
(DS&T) PROJECT (383-0085)
USAID/SRI LANKA**

13 May 1991

BACKGROUND

USAID/Sri Lanka's Development Studies & Training (DS&T) Project is a 5 1/2 year, \$8 million dollar project (of which \$6 million is USAID Grant-funded) initiated in August 1987 to assist the Government of Sri Lanka (GSL) "identify and implement development policies and programs, through development policy studies and training."¹ The project currently has approximately two years remaining before its initial Project Assistance Completion Date (PACD) is reached.²

As envisaged by its designers, the Project's explicit Purpose was:

To assist selected agencies to identify and implement sound development policies and programs and to provide specialized short and long term training.³

Indicators for monitoring and verifying attainment of this purpose were established as follows:⁴

1. Approximately 25 studies which help to identify policy options for senior government planners incorporated in some format in subsequent government policy (emphasis mine).

¹Project Authorization

²Project Assistance Completion Date (PACD) 31 March 1993.

³Project Logical Framework (Logframe) -- contained in the Project Paper (PP).

⁴Logframe End-of-Project Status (EOPS)

2. 128 Sri Lankans trained in the US and third countries in subjects of relevance to Sri Lanka's development programs, in both long term academic and short term training (emphasis mine).
3. 580 Sri Lankans trained locally through short-term seminars with US or other technical assistance (emphasis mine).
4. 40 Sri Lankan women trained, including graduate level as well as short-term technical training (emphasis mine).

The Means of Verification were identified as:

1. "Evidence" [not further defined] of GSL (i.e. Government of Sri Lanka) implementation of policy recommendation and subsequent incorporation into GSL development programs
2. AID Training Officer records
3. Ministry of Finance & Planning records
4. Other agency records
5. Reports of other donor agencies
6. Interviews with GSL officials

Important Assumptions for achieving the project Purpose were that the Government of Sri Lanka would:

1. Use the studies and technical assistance funded under the project in their strategic planning and operational policies.
2. Use the returned participants in positions where they could apply the skills they learned to support current and future socio-economic development programs.

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Financial Plan

The \$8 million Life-of-Project (LOP) project funding was allocated by the Project's Financial Plan to four line item categories, as follows:

	<u>USAID</u> (\$000's)	<u>GSL</u> (\$000's)	<u>TOTAL</u> (\$000's)
Technical Assistance	\$2,000	\$830	\$2,830
Training	\$3,425	\$949	\$4,374
Evaluation/Publication	\$75	\$20	\$95
Contingency	\$500	\$201	\$701
	-----	-----	-----
	\$6,000	\$2,000	\$8,000

An annual budget for the aggregate \$8 million was provided in the Project Paper (PP) for a disbursement schedule over six fiscal years, reflected cumulatively as follows:

	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>	<u>FY 93</u>
<u>CUMULATIVE</u> (\$000's)						
TOTAL:	900	2,624	4,477	6,249	7,635	8,000

The project was initiated in August 1987; consequently the disbursement schedule was amended as follows:

	<u>FY 87</u>	<u>FY 88</u>	<u>FY 89</u>	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92</u>
<u>CUMULATIVE</u> (\$000's)						
TOTAL:	2,684	4,684	5,550	6,000	7,000	8,000

ADDITIONAL BACKGROUND

The basic hypothesis underlying the project was that policy changes were necessary in various sectors to overcome a number of existing constraints to economic development. However, USAID's assessment was that the GSL had insufficient and/or inadequately trained staff in economic policy analysis, and insufficient training institutions with facilities, faculty or skills in this subject area to satisfactorily identify, analyze or appreciate appropriate courses of action for policy-level reform. The rationale was therefore to provide the means to begin the reform process through a Training and Development Studies Project as a two-pronged thrust to enhance GSL policy reform capacity.

1. Training

Both short and long term training was to be provided to selected individuals in key policy support ministries and areas -- particularly the Ministry of Finance & Planning, the Industrial Policy Committee, and the Central Bank. The objective of the training was to expand the GSL's limited institutional capability to identify development problems, do policy analysis, and identify appropriate options, as well as facilitate implementation.

2. Studies

To expedite the policy reform process, U.S. contractors and individual consultants were to be hired to supplement the GSL's existing capability in policy analysis and address selected key areas and issues. These studies -- predominantly short term in nature -- were to provide recommendations for GSL consideration and implementation as appropriate. In some instances, on-the-job assistance, and in-country seminars were also to be provided. Additionally, specialists were to be hired as long term resident consultants in a few areas to provide on-going assistance and support to GSL counterparts. The core areas requiring policy reform attention were envisaged as:

1. Budget Management
2. Financial Sector Management
3. Export Promotion
4. Rationalization and Privatization of Government-Owned Enterprises
5. Socioeconomic Impacts of Economic Policy Reforms and Structural Adjustment

IMPLEMENTATION TO DATE
(MAY 1991)

With approximately 64% of the project's planned time now elapsed, the level of activity (including "buy-ins" to AID/Washington Projects) is reportedly as indicated below:⁵

Financial (USAID Grant-funded portion)

100% Obligated -- \$6.0 million
75% Committed -- \$4.5 million
38% Disbursed -- \$2.2 million

Administrative Actions (Financially-related)

Project Implementation Letters (PILs)	12
Project Implementation Orders (PIOs):	
Technical Assistance (PIO/Ts)	31
Participant Training (PIO/Ps)	106
Invitational Travel (TAs)	6
Direct Purchase Order (PO)	1

Unfortunately, in the Project Paper, USAID and GSL funding was not broken out separately. Thus USAID's \$2.2 million disbursements against the cumulative aggregate disbursements (i.e. USAID+GSL) planned to date -- i.e. between \$6 million planned by FY 90 [i.e. ending Sept 1990], and the \$7 million by FY 91 [i.e. ending Sept 1991] -- is not an accurate picture. In any event, although the \$4.5 million commitment appears to be almost on track, it is clear that the USAID disbursement rate is much lower than originally anticipated.⁶ The slow disbursement rate presents a picture of an apparent (if not real) pipeline problem, and probable delays in project administrative followup -- for whatever reason. Both situations call for Project Committee awareness and either rationalization to

⁵MACS Comprehensive Pipeline Report by Commitment Detail as of 8 May 1991

⁶The data is probably available at the USAID/Controller's office, but since it was only peripheral to my review at this juncture, I have not followed it up.

allay unwarranted concerns, or action to rectify the situation, as appropriate.

TRAINING

The USAID Training Officer's records indicate that to date, 93 of the total 128 participants planned -- i.e. approximately 73% -- have completed (or are in-process) for US or Third Country training.⁷ The overwhelming majority (87%) of these participants have attended relatively short-term U.S. training programs. No breakdown of participants by gender was readily available; however this can easily be gleaned from the PIO/Ps when desired -- to verify whether the training objective of "40 Sri Lankan Women" is on track and is likely to be attained.

The Training Officer keeps no data on Sri Lankan participants at local in-country seminars sponsored under this project, but the Project Officer reported that 170 GSL personnel had participated in in-country workshops conducted by the U.S. Bureau of the Census, alone; and another comprehensive program to familiarize all government accountants with modern accounting techniques for public finance management is in the offing.⁸ Unless the USAID Project Officer or counterpart GSL Project Officers have maintained a running log of participants receiving such training, however, verification of achievement towards meeting the 580 target will have to be gleaned from other sources -- such as consultants reports funded under individual PIO/Ts and PILs.⁹

A quick perusal of the USAID Training Officer's records shows that all the training programs -- as well as the individuals selected to attend them -- were in compliance with the criteria and priorities outlined by the Project Purpose. The programs were appropriate to the policy reform core areas, the people selected were well qualified to attend, and what they learned was pertinent and job-related. However, from discussions with various personnel, some comments in the files, and the Project Manager's recent Status report, it appears that both the planning, and the

⁷Several tables in Annex K of the Project Paper provide projections of training needs by various skill categories. Since this was not the prime purpose of my review at this juncture, I have not taken the time to summarize them or compare progress against these data.

⁸USAID Project Manager DS&T Status Report, April 1991. Table I in this report provides a spread-sheet synopsis of 23 separate consultancies/studies in a wide variety of areas.

⁹Again, this was not the prime thrust of my review so I have not followed up with all appropriate potential sources. In rapidly scanning the project files, however, several references were noted to seminars conducted by consultants.

administrative process for selecting participants, could stand considerable improvement.

In so far as Planning is concerned, it is apparent that the purpose of Training Plans required by USAID is not well understood by the GSL nor (apparently for lack of time) reinforced by appropriate USAID personnel -- i.e. both the training office and the various project technical officers. Although each application for training is coursed through a number of key individuals and offices on both the GSL and USAID side, and screened and approved on its individual merits, there is currently no comprehensive assessment of training needs by the assisted organizations -- at least with respect to policy reform. Rather *ad hoc* applications are periodically submitted in response to advisements by USAID of training quota allocations for particular ministries. Applicant awareness is intermittently stimulated -- at irregular intervals -- by USAID training office dissemination of AID/Washington training notices and miscellaneous institutional brochures.

With respect to Administration, the process for participant training is long established and well-defined, with a number of requirements -- some sequential and others which could be accomplished concurrently; and several key target dates -- such as for taking the TOEFL,¹⁰ submission of transcripts for PIO/P processing and placement, medical examinations, etc. However, nominations for all participant training -- not just for DS&T -- are usually received by USAID on an *ad hoc* basis, often with insufficient lead-time for the "normal" pre-planned processing steps. As a consequence, rather than being able to routinely and efficiently handle the majority of situations as a "batch", the Training Office is constantly in a reactive "crisis" mode -- attempting to short-circuit the process on a case-by-case basis to accommodate the needs of many individuals.¹¹ The situation is exacerbated by DS&Ts high utilization of short-term workshops.

¹⁰Test of English as a Foreign Language

¹¹There is a simple remedy for this situation. USAID/Sri Lanka's Project Officers Handbook (Section C.2.1) outlines some 30-40 steps describing the Flow Procedures for Participant Training -- both Long and Short Term -- and also provides some lead times for the overall process. However, no elapsed times for guidance in accomplishing the individual steps, or target calendar dates are provided for scheduling them. This is relatively easy to accomplish in a pro-forma bar chart or critical path network flow chart -- for an individual and/or the overall program. Such a master schedule produced by USAID and furnished to the GSL would improve the administrative efficiency and effectiveness of everyone involved in the review and approval process. In addition, having a personal time-phased check list to follow would lighten each would-be participant's burden.

As indicated earlier, the training courses attended by participants all appeared to be appropriate to the stated objectives of the DS&T project. Various participants attended a number of different institutions covering a broad spectrum of topics. Some institutions were apparently selected because of their unique offerings and/or widely acknowledged expertise in the topic. For others, however, where several different institutions offer similar programs -- albeit at substantially different costs¹² -- DS&T (and indeed all mission Project Managers) should be alert to the differences between "similar" programs, and ready with their rationale for sending participants to them. In view of AID/Washington's current emphasis on participant cost containment -- which urges missions to utilize less costly training institutions where appropriate -- the rationale for institutional selection¹³ (or lack thereof) could be a subsequent audit issue.¹³

Follow-up on the returnees to ascertain their effective utilization by the GSL after training is apparently another weak area. One letter in the files early in the project's life (dated November 1988) from a U.S. institutional faculty member stated:

Over the past two years, I have trained quite a few individuals from the Ministry of Plan Implementation . . . [but the] Ministry has not done anything to turn these trainees into a resource group that would help the other offices set up similar programs. In fact, several of the trainees have left the Ministry and gone to other jobs elsewhere.¹⁴

Whether this is a typical situation encountered by returned participants today, or simply one unfortunate anomaly from the distant past is not determinable from my cursory

¹²For instance, both A.E. Little, Inc. and the University of Connecticut's Institute of Public Service International (IPSI) offer short courses in development project planning, management and implementation.

¹³Naturally, there are invariably differences in facilities and environment; and diversity of participants experiences *per se* -- to broaden the aggregate national institutional base -- is often an important intrinsic objective in a targeted institution-building training program. Furthermore, despite the labels -- course content; as well as resource persons, and presentation methods vary from one institution to another. In addition longer term professional and institutional relationships are often desired -- and nurtured -- through particular program associations, all of which are legitimate aspects of the development process. In such circumstances, explicit documented *a priori* professional judgement is the best defense.

¹⁴From Dr. Yapa, Penn State -- Specialist in Computer Assisted Regional Planning (CARP).

skimming of the files.¹⁵ In any event, failure to utilize the newly-acquired skills of returned participants appropriately is obviously unproductive and unjustifiable, and highlights the need for continual monitoring and corrective action where appropriate.¹⁶

STUDIES

A number of consultants have been contracted under the project; studies conducted; recommendations made, and seminars given. In addition, long-term technical advice and assistance has been rendered in a wide variety of areas in support of USAID and GSL-perceived priorities for economic development policy reform. A particularly intensive collateral effort was also conducted by the U.S. Bureau of the Census to improve the quantitative basis for Sri Lanka's policy appraisal process. Additional long- and short-term *ad hoc* assistance in some similar supportive modes is also anticipated for the future.

The latest Project Implementation Report (PIR)¹⁷ while not changing the project's scope or emphasis, recasts it -- conceptually -- into three key project objectives:

1. Improve policy appraisal and development [emphasis mine] in agencies that are key to the design and implementation of (economic) policy reform
2. Provide new skills [emphasis mine] to officials working on the implementation of economic and related policies, and expose them to new ideas and concepts
3. In selected policy areas, enhance the performance of government agencies in implementing programs [emphasis mine] related to structural adjustment and policy reform.

¹⁵With regard to participant follow-up, I personally chanced across several returned participants during my earlier assignment in Sri Lanka (January - March 1991) and received some unsolicited comments and reactions from them. However, neither my time nor my present Scope of Work affords an opportunity to meet systematically with returned participants to review their experiences and the value of their training *vis a vis* their current assignments. This aspect is obviously a key one for any subsequent evaluation team's review.

¹⁶Presumably, since this letter is over two years old, the training referred to also encompassed the former project; and corrective action has long since been taken to rectify the situation.

¹⁷Dated 31 March 1991

Indications in the PIR are that project implementation of the Development Studies aspect has been relatively slow. This lag is attributed to USAID's own internal staffing limitations which hamper USAID's ability to respond to technical assistance opportunities, because the preparatory work is very labor- and skill-intensive. Furthermore, project funds are now limited, and time is rapidly running out for addressing some of the more comprehensive issues on the policy reform agenda.

On the training side, two unanticipated constraints are limiting the supply of participants:-

1. The most appropriate candidates are not available for training as they play key roles in their organizations
2. English language requirements present a formidable barrier to younger candidates

A more recent assessment by the Project Manager¹⁸ comments that DS&T's record on studies is mixed.

DS&T has supported a somewhat bewildering variety of studies and technical assistance activities . . .

[some of which] may be viewed as tangential to the central purpose of the project and that did not fall into the core agenda.

It has also supported consultancies that did focus on the core agenda, creating excellent opportunities for advancing our policy dialogue.

The Project Manager concludes in this report that

The more successful study activities, with the greatest potential impact, tended to build on a long involvement with the respective counterparts. [Emphasis mine.]

Entering the policy dialogue through short-term consultancies works at times, but it also assures some false starts. [Emphasis mine.]

¹⁸Status Report by the Project Manager as of 30 April 1991

Modifications

The DS&T Project has undergone several shifts in emphasis since its initiation.

1. Core Areas Three of the original "Core" agenda items embraced by the DS&T Project, namely:

- o Employment Generation
- o Export Promotion Strategies, and
- o Privatization of State-owned Enterprises

have received little or no attention under the project in the past because they have been absorbed by a separate Private Sector Development Project in the USAID mission.¹⁹

2. Housing Under the Financial Sector Management core, DS&T has provided some assistance in studying alternatives for mobilizing financial resources for low-income housing, and a long-term consultant in this area is to be funded by DS&T.²⁰

3. Irrigation A new thrust of DS&T -- originally unforeseen -- has been to help the GSL implement new directions in irrigation policy through an "Irrigation Management Policy Support Activity" (IMPSA). This has blossomed into a major effort, with a "buy-in" to an AID/Washington project, and a long term institutional arrangement funded to provide extensive technical assistance and conduct specialized studies.

4. New Opportunities As Mission personnel and consultants have developed closer working relations with GSL counterparts over time under this project, the momentum has increased and many new policy reform initiatives and options are now surfacing. A \$1 million increase in project funding has recently been approved to address some of these issues. However, this is considered woefully inadequate to the known need, and DS&T already has several "imminent claims" (i.e. tentative "earmarks") on the \$1 million. Thus few, if any, of the emerging initiatives can be accommodated. Furthermore, even though the project's long-term training quota has not been fulfilled to date, because of the March

¹⁹However, recently some activity has been programmed to support the Industrialization Commission.

²⁰Although the Mission has a Housing Sector Program, no funds are available for policy analysis studies supporting the sector.

1993 PACD the lead-time has all but expired for commencing any new long-term training starts.²¹

At this juncture, therefore, the Project Committee is deliberating whether to request an extension of the PACD by two years -- to March 1995, and simultaneously seek an additional \$2 million in funding to continue supporting long-term training, as well as to address currently emerging, and potential future activities, or whether to initiate a new similar follow-on project.

Originally, the DS&T Project had a full-time manager. Management of various aspects of the project portfolio have subsequently been decentralized, and are now coordinated with a part-time Project Manager. In effect, each core area now operates almost as an autonomous sub-project, with overall Project Manager funding control and activity monitoring, and Project Committee review and concurrence. However, this administrative management arrangement is considered inadequate by the Project Manager as well as some members of the Project Committee.

Given some of the shortcomings in implementation experienced to date and acknowledged above, provision for enhancing USAID's internal capability to manage the project needs to be addressed by top mission management.

During the early stages of policy reform, exploring various options through "trial and error" activity directed towards mutually-agreeable "targets of opportunity" is generally viewed as the most productive approach for identifying and clarifying more precise project opportunities and solidifying support for subsequent efforts. In essence, this is precisely how DS&T has operated. DS&T's effectiveness lies in the fact that under the broad umbrella of "Policy Reform", it has provided a readily available source of funding, responsive to mission management's perceived priority needs. DS&T has been (and is) a mechanism for funding "targets of opportunity" -- in effect, a pre-funded multi-year Project Development & Support (PD&S) "learning-process project" rather than a coherent "blueprint project" per se.

The blueprint approach of "Plan Your Work, then Work your Plan" -- with emphasis on clearly specifying objectives, then attempting to achieve predetermined targets along a time continuum -- is the essence of the latest thrust in Purpose-level monitoring. As presently formulated and operated, DS&T does not provide the conceptual framework to serve as a mission prototype for establishing a system to

²¹All funding commitments must be completed and the participants returned prior to expiration of the PACD.

monitor progress towards attaining Purpose-level project achievements, as had been originally envisaged. For policy reform -- at least in the formative stages -- the objective at the purpose level is still a "means to an end" -- i.e. to identify certain (as yet undefined) policies, then put them in place, in order to bring about particular changes in the national economic picture. Hence there is a need for

1. Systematic monitoring to periodically assess the status of project implementation; and
2. Management which can be responsive and initiate action -- either to get the project "back on track" or to make appropriate adjustments.

Despite its "learning process" thrust, DS&T's designers attempted to conform with the traditional AID Project Design format, and developed several indicators for the purpose level which were accepted when the project was approved. One may quibble now that this statement of purpose and these indicators are inadequate -- indeed almost all are merely indicators of project "output" rather than "purpose-level" rationale and objectives.²² However, it would be disingenuous -- as well as inappropriate -- to develop and substitute a new set of indicators at this late stage of the project's life (with all the advantages of hindsight) and then imply that the project had indeed traveled satisfactorily along the path to attain these new objectives; or worse -- that it had widely missed the mark.²³

Nevertheless, with approximately two years remaining in the project, future efforts do not necessarily have to be constrained by the project's past, nor continued in the same mode. In the learning process approach to project implementation -- which AID advocates -- there should always be room for adjustments and (hopefully) opportunities for improvement. Therefore, rather than attempting to rationalize DS&T's cumulative history in terms of new indicators for Purpose-level Monitoring, it would be appropriate to add some "Critical Event" Process indicators for a few of its major continuing sector elements.

²²I.e. the latter part of the purpose statement "to provide specialized short and long term training", and the indicators -- "128 Sri Lankans trained", "580 Sri Lankans trained locally", and "40 Sri Lankan women trained" are all outputs that the project can produce -- not reasons why the project was undertaken.

²³Firing several preliminary rounds to "zero-in" the weapon and refine one's aim is an acceptable practice, but attempting to define the target after the shot has been fired is specious.

Purpose-Level Monitoring is (or should be) reflective of the structure and staffing of the project, and should be recognized as an additional -- if essential -- management task. The time associated with monitoring and record-keeping will divert the attention and skills of both AID and GSL staff from performing other substantive developmental service delivery activities.

AID management staff time is already overextended. Therefore, before making changes -- some basic decisions need to be taken by management. At least three options are as follows:-

A. Continue the project as is, and monitor its performance at the Purpose-level in terms of the original (although admittedly inadequate) indicators,²⁴ until the PACD is reached.

B. Broaden the scope of DS&T to include development support funding for the entire USAID portfolio, not just those sectors currently addressed; but continue to monitor performance at the Purpose-level in terms of the original indicators.

C. Narrow the focus of the project to redefine objectives for some of the major "core" component activities more precisely and systematically, and establish new process-type "critical event" Purpose-Level indicators to monitor their subsequent progress.

Each of these options is discussed briefly on the following pages.

²⁴Original (Project Paper) Purpose-Level Indicators:

1. Approximately 25 studies which help to identify policy options for senior government planners incorporated in some format in subsequent government policy.

2. 128 Sri Lankans trained in the US and third countries in subjects of relevance to Sri Lanka's development programs, in both long term academic and short term training

3. 580 Sri Lankans trained locally through short-term seminars with US or other technical assistance

4. 40 Sri Lankan women trained, including graduate level as well as short-term technical training

A. Continue the Project As Is.

This is the easiest solution. It acknowledges that DS&T is primarily a funding source for development support -- not a blueprint-type project with a set of pre-definable objectives and resources to attain them -- and continues business as usual.

B. Broaden the Scope.

Since several of the "core" areas no longer require DS&T support, the project now unnecessarily constricts management flexibility to support other potentially needy areas. [Depending upon the degree of change envisaged, a Project Amendment may be required.]

C. Narrow the Focus.

This option addresses AID/W's latest desires for improving Purpose-Level Monitoring of projects. This approach would continue to exclude new areas, and might also reduce the "target of opportunity" support currently available for existing areas of coverage.²⁵ [Caution: It also implies more -- rather than less -- detail for record keeping and monitoring each of the sector components; treating each as a sub-project with its own logframe and hierarchy of articulated Inputs-Outputs-Purpose.] An illustrative outline for this approach is provided in the next section, for the Project Committee's review and reaction.

In any event, I do not recommend attempting to retrofit new indicators to all the components and studies conducted through DS&T -- from its inception, to the present.

A final thought about project modification -- It usually takes about two Fiscal Years to get a new project designed, approved, funded and on-stream. If a continuing need is envisaged for DS&T-type support to GSL policy reform activities, to avoid a hiatus in providing assistance, it is not too soon to start seriously thinking now about PID formulation and PP design for a successor project to DS&T.²⁶

²⁵For example, AID/Washington's PPC Financial Markets Development Policy Paper (5 September 1988) maintains that "Adequate accounting, financial analysis and reporting, and auditing are critical to a properly functioning market-based financial system", and stresses that "AID should also support efforts to train accountants, auditors and others involved in finance." (Emphasis theirs.)

²⁶Possibly, PID formulation could be added to the Mid-Term Evaluation team's Scope-of-Work later this year.

OPTION "C" --
AN ILLUSTRATIVE OUTLINE

Narrow the focus of the project to redefine objectives for some of the major "core" component activities more systematically, and establish new process-type "critical event" Purpose-Level indicators to monitor their subsequent progress.

Under this approach, DS&T is still largely a supporting activity for various sectors and/or sub-sectors to achieve economic policy reform. The project inputs and outputs are still essentially the same -- i.e. skills training for indigenous institution-building, and technical assistance studies to generate recommendations. However, the training needs are more carefully defined and much more tightly interlinked with the particular recommendations and outcomes desired.

The project is still also a process to bring about the conditions for policy reform, rather than the consequences of such reform. The major difference is that policy objectives are no longer open-ended, but are much more narrowly defined and spelled out as a series of specific policy objectives (or constraints) to be overcome. Furthermore, the project (and specifically USAID) assumes some responsibility for bringing about that change by focusing its resources more narrowly on the attainment of the pre-specified reforms targeted within a structured time-frame. In effect, a separate logframe of Inputs and Outputs outlined for each major objective.

Finally, the purpose-level indicators simply specify the process of "critical events" through which any new (or reformed) policy must pass and a tentative schedule for attaining each stage, and/or event. Generically, these stages and events are essentially as follows:

A. Institution Building

1. GSL Staff Knowledge & Analytical Skills Developed
2. Particular Policy Recommendations Formulated

B. Policy-Maker Attitudes

3. Policy Changes Drafted
4. Policy Changes Issued

C. Bureaucratic Practice

5. Policy Changes Implemented

Rather than attempting to track quantitative participant "body-counts", numbers of studies conducted, consultant "recommendations" generated, or other miscellaneous input-output level administrivia at the Purpose Level,²⁷ Project Management monitoring attention should focus on assessing each stage as

S -- "Satisfactory", or

U -- "Unsatisfactory"

with a subjective understanding of the circumstances involved; then -- by comparison with the plan -- a judgement as to whether the level satisfactorily attained at any particular point in time is:

On,

Ahead, or

Behind the projected schedule, according to the Work Plan.

²⁷However, such detail must still be collected, recorded and tracked at the Output level.

Given this assessment, Mission management's task is to determine what AID actions -- if any -- are needed to accelerate the process, or modify expectations.²⁸

For Purpose-Level comparative tracking -- in a particular sector or between sectors -- quantified "indices" can be fairly easily generated by ascribing arbitrary cumulative numerical values as each critical event in the process is attained.

If a sector has set itself the task of attaining multiple policy objectives, each specific objective should be tracked and rated, and the aggregate mean value used as the index number for the sector.²⁹

To carry this one stage further, a DS&T project "Policy Reform Index" could similarly be the aggregate mean of the sector indices.

²⁸NOTE: Purpose level assessments and decisions are rarely made in a vacuum. While complete cause and effect are not necessarily traceable (or valid) the Input-Output Level indicators will outline the level-of-effort AID has contributed -- in terms of participant trainees, TA consultants, numbers, person-months, and/or dollars.

²⁹Where appropriate, an even more sophisticated approach could be to ascribe relative weights to each policy objective and/or critical event based on the project manager's technical/professional judgement. As long as these weights are made explicit, the system is still "objectively verifiable." At this juncture, however, unless there are strong desires to weight the various critical events, I would recommend deferring this option as it is pushing the "state of the art" and making processing more complex for relatively little substantive benefit!

APPENDIX

II

SAMPLE COMPUTER "SCREENS"

FROM

\PLM>IMPSA.WKO

- 58'

A B C D E F G

A PROTOTYPE PURPOSE-LEVEL MONITORING (PLM) SYSTEM
FOR POLICY DEVELOPMENT/REFORM-TYPE PROJECTS

CASE # 1
DEVELOPMENT STUDIES & TRAINING (DS&T) PROJECT (383-0085)
IRRIGATION MANAGEMENT POLICY SUPPORT ACTIVITY (IMPSA)
USAID/SRI LANKA

(Contract # 499-0000-0-00-1029-00)

Dr. Kenneth F. Smith, Project Management Consultant
4517 Twinbrook Road, FAIRFAX, Virginia 22032 USA
Phone: 703-978-1876

MAY 1991

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A B C D E F G

INTRODUCTION

=====

Unlike typical AID Technical "Blueprint" projects -- which have physical END PRODUCTS of "More" or "Better" levels of "Something" for a pre-targetted group of beneficiaries -- POLICY REFORM projects usually have no precise quantitative Purpose-level objectives which can be monitored over time.

Therefore this system has been developed as a method for monitoring the PROCESS of accomplishing a series of Critical steps (compared to a project plan) which lead to the ultimate PURPOSE of DEVELOPING &/or IMPLEMENTING macro-POLICY reforms.

The Critical Events, Work Plan and initial Status were all developed through close consultation with the USAID Project Manager, Project Technical Consultants and GSL Counterparts.

WHEN YOU ARE READY TO CONTINUE, HIT THE [ENTER] KEY

.54

4: [W9]

SCHEDULE UPDATE GRAPHICS PRINT QUIT

View and/or Modify the Planned Schedule for "Critical Events"

A	B	C	D	E	F	G
---	---	---	---	---	---	---

DO YOU WANT TO:

- S - Review and/or Modify the Project's Planned SCHEDULE for accomplishing "Critical Events"
- U - UPDATE the Project's Current Status
- G - View GRAPHICS of the Current Status vs Project Plan
- P - PRINT the Current Status Table of Indicators
- Q - QUIT the Program

SELECT FROM THE MENU ABOVE THE "FRAME" or TYPE THE LETTER

0
1
2
3

-May-91 06:40 AM

CMD

67

A B C D E F G

TO MODIFY PLANNING DATES: Move Cursor to appropriate cell
 HIT F2 Key; Then EDIT @DATE(89,10,1) -- i.e. 1 Oct 89
 WHEN YOU HAVE FINISHED UPDATING THE PLAN, HIT: [ALT] C

DEVELOPMENT STUDIES & TRAINING (DS&T) PROJECT (383-0085)
 IRRIGATION MANAGEMENT POLICY SUPPORT ACTIVITY
 WORK PLAN - Estimated DATES to complete various critical events

	A	G	H	I	J	K	L
ACTIVITY		9	10	11	12	13	14
5 WP1		Mar-91	////	////	////	////	////
6 WP2	////	////	Apr-91	Jun-91	Jul-91	Apr-92	May-92
7 WP3	////	////	Apr-91	Jun-91	Jul-91	Apr-92	////
8 WP4	////	////	Sep-91	Sep-91	Oct-91	Apr-92	////
9 WP5	////	////	Nov-91	Dec-91	Jan-92	Apr-92	////
0 WP6	////	////	Sep-91	Sep-91	Oct-91	Apr-92	////
1 WP7	////	////	Sep-91	Sep-91	Oct-91	Apr-92	////
2 WP8	////	////	Nov-91	Dec-91	Jan-92	Apr-92	////
3 WP9	////	////	Nov-91	Dec-91	Jan-92	Apr-92	////
4 WP10	////	////	Feb-92	Mar-92	Apr-92	Apr-92	////
1-May-91	06:43 AM						

51

Z AA AB AC AD AE AF AG AH

DEVELOPMENT STUDIES & TRAINING (DS&T) PROJECT (383-0085)
IRRIGATION MANAGEMENT POLICY SUPPORT ACTIVITY

STATUS AS OF: 2ndQ FY91
Mar-91

ENTER "X"

0	1	2	3	4	5	6	7	8	9
	LINE OBJECTIVE/ ACTIVITY	EVENT NO.	WEIGHT	PLANNED COMP DATE	if SATIS. COMPLETE	ACTUAL PERFORMANCE	PLAN PERFORMANCE		

39		20	0.88%	Feb-94					
40		21	0.88%	Feb-94					
41		22	0.88%	Feb-94					

42	-----					=====	=====		
43	SUMMARY STATUS =	114	100%		2ndQ FY91	8%	8%		

44		ITEMS	TOTAL		Mar-91	ACTUAL	PLAN		
45			WEIGHT		CUMULATIVE PERFORMANCE				

46					0%			
47					DEVIATION FROM PLAN			

48					neg # = BEHIND schedule			
----	--	--	--	--	-------------------------	--	--	--

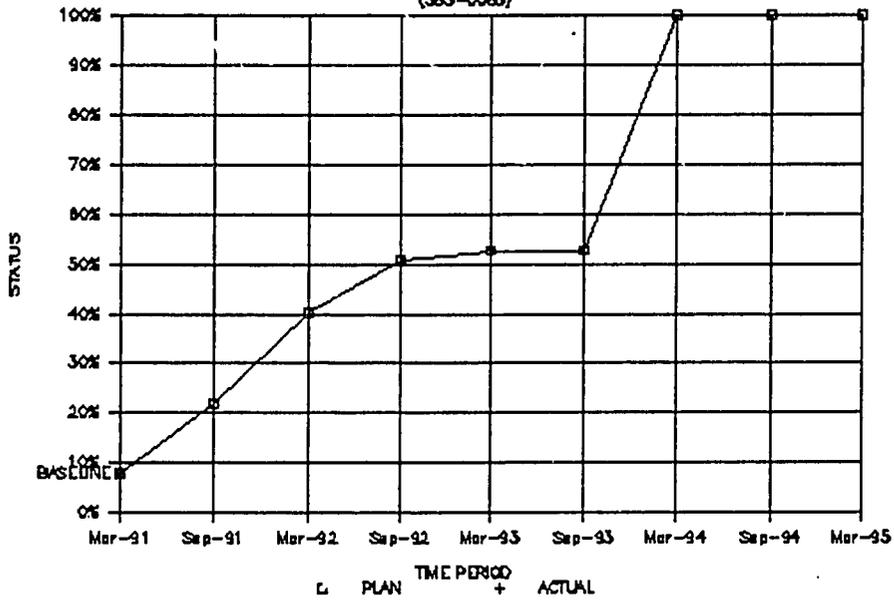
49					0 or pos # = ON schedule			
50					////////////////////////////////////			

1-Jun-91 01:12 AM

58

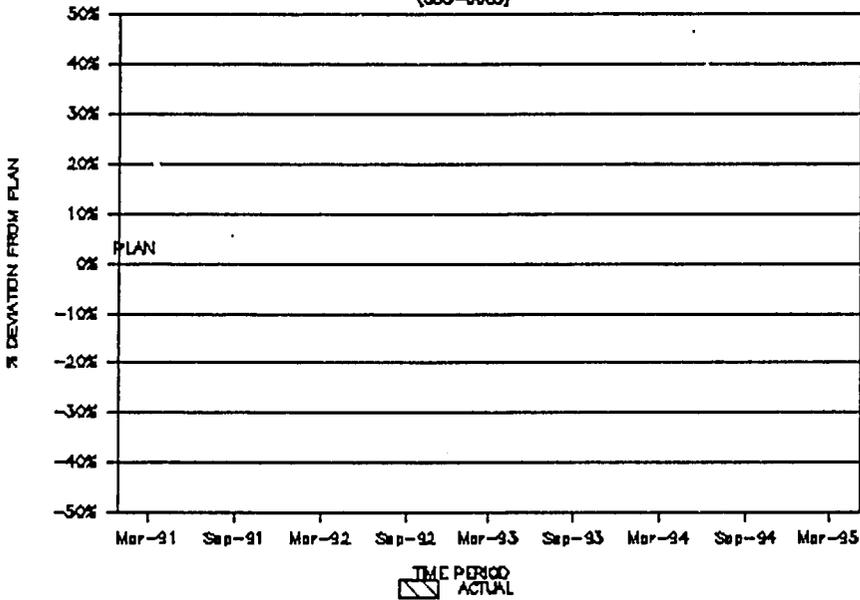
DS&T PROJECT - IMPSA

(363-0065)



DS&T PROJECT - IMPSA

(363-0065)



54

MACRO MENU

\M (GOTO)I40~
\O (GOTO)A40~(WAIT @NOW+@TIME(0,0,5))(PGDN){?}(START)
\I
START (GOTO)A84~(MENUBRANCH A81)
SCHEDULE (HOME){goto)a8~/wwh(window)/WGPE(GOTO)B10~/WTB
/rib11.u23~{?}{?}(GOTO)B11~
\C (window)/wwc/WTC/WGPD(BRANCH START)
UPDATE (GOTO)Z1~(GOTO)Z8~/WWH(WINDOW)/WGPE(GOTO)AE14~/WTB
(GOTO)AE15~
PRINT /PPRL77.V89~AG(ESC)(ESC)(ESC)(START)
GRAPHICS /gv