

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

MEMORANDUM

April 13, 1989

TO: AAA/PPC/CDIE, Janet Ballantyne  
AFR/DP, John Westley

FROM: PPC/CDIE/PPE, Nena Vreeland *Nena*

SUBJECT: Doing Business Differently in a Performance-Based  
Foreign Assistance Program

I am sending you the attached observations and suggestions on how the AFR Bureau can operate differently to exploit the advantages of a flexible, performance-based program under the DFA; to ensure high performance toward getting program results; and to report on this performance to the Congress.

My report is based on the two months (December 1988 and January 1989) during which I was asked to provide direct support to AFR/DP. Most of my assignment was devoted to handling several specific tasks in the evaluation section. PPC/CDIE was, however, primarily interested in this assignment as an opportunity to learn from, and contribute to, the efforts being made in the AFR Bureau to create procedures--including program monitoring and evaluation procedures--appropriate to the DFA. PPC/CDIE could then draw on the AFR experience for lessons that might have broader Agency utility in the event that new possibilities opened up under rewritten FAA legislation.

The AFR Bureau views the DFA as a self-consciously "performance-based" program. Applying this concept in practice essentially means shifting the Bureau's and Missions' operations from a traditional focus on obligating and spending aid funds to a new focus on the performance and results of country programs. I was struck by the strong commitment to the concept among the staff with whom I talked during my stay, and as reflected in such Bureau documents as the DFA "Action Plan." How the concept is being pursued, and what might be done to increase the speed with which it is carried out, are the main themes of my report.

Once again, I greatly appreciated having had the chance to work in AFR/DP. I thank PPC/CDIE for allowing me to do so, and AFR/DP for welcoming me as their guest.

c.c. AFR/DP/PFE, Emmy Simmons  
PPC/CDIE/PPE, Annette Binnendijk  
PPC/CDIE/PPE, Gerry Britan

Encl. a/s  
NV:aw

AGENCY FOR INTERNATIONAL DEVELOPMENT

WASHINGTON, D.C. 20523

MEMORANDUM

May 2, 1989

TO: ANE/DP/E, Diane Ponasik  
ANE/DP/E, Chris Hermann  
LAC/DP/SD, Jack Francis  
LAC/DP/SD, Sharon Benoliel

FROM: PPC/CDIE/PPE, Nena Vreeland *Nena*

SUBJECT: Performance-Based Program Evaluation

I want to share with you the enclosed report on "doing business differently" in a performance-based program.

One of the general preconditions for an effective role for evaluation is a management system that poses meaningful questions about a program and then accepts and uses the findings in program planning and decision-making. For many years, we have been promoting the evaluation function in the Agency. Our efforts seem to have reached a limit imposed by a lack of complementary development on the management side. As a result, Agency operations are unable to exploit fully the potential of evaluation to support high performance and to influence programming decisions.

For this reason, I took the opportunity of an assignment to the AFR Bureau to look into the possibility of altering program management procedures and operations themselves. The Bureau is committed to a "performance-based" program under the Development Fund for Africa. Implementing this concept will require not only upgrading its evaluation efforts, but also some innovations in program management.

I welcome your comments.

c.c. PPC/CDIE/PPE, A. Binnendijk

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DOING BUSINESS DIFFERENTLY IN A  
"PERFORMANCE - BASED"  
DFA PROGRAM

Nena Vreeland  
PPC/CDIE/PPE  
April 1989

## EXECUTIVE SUMMARY

This report makes five suggestions on how the AFR Bureau can exploit the new opportunities provided by the "performance-based" DFA for more effectively programming, evaluating, accomplishing and reporting development results. It places strong emphasis on empowering Missions to engage in more active, flexible and creative program management. These suggestions are:

- Do it -- take action immediately on some management innovations without waiting for a final resolution of broader program, organizational and personnel issues;
- Assign additional resources to key programming and evaluation functions including assignment of at least three staff to AFR/DP/PPE (including details from other offices) and training in Missions and AID/W;
- Experiment with new program management strategies in three Missions, supported by intensive consultancy, training and systems development;
- Establish a means for systematically backstopping senior executive consultations with Congress; and
- Bring into AFR new evaluation methods that are especially appropriate for performance-based program management.

The estimated operating expense cost of implementing these suggestions is \$1.4 million. This investment is heavily front-end-loaded in the first year.

Two issues require clarification and resolution because they would affect the Bureau's ability to act on these suggestions:

- Operating Expense Needs: While A.I.D. may not wish to allow blanket approval for the use of program funds to supplement OE funds, can approval be obtained for specific OE costs for training, TDYs and systems development to support the management requirements involved in making the DFA a resounding success?
- Procurement Regulations: GC has determined that A.I.D. is not bound by the federal acquisition regulations, by virtue of a 1949 exemption. Yet, staff report that procurement regulations continue to constrain flexible and effective program operations. What is the precise dimension of procurement constraints, and why do procurement procedures appear to be dysfunctional for effective program management?

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DOING BUSINESS DIFFERENTLY IN A  
"PERFORMANCE - BASED"  
DFA PROGRAM

The Development Fund for Africa (DFA) is a self-consciously "performance - based" bilateral assistance program. What this means is that the process of allocating assistance under the DFA is to be strongly influenced by the "performance" of countries and programs in achieving results that are credibly related to development objectives. The DFA offers -- and calls for -- much greater scope and flexibility for moving assistance to build on and reward performance than do the Functional Accounts under which other Bureaus plan their programs.

Operationally, for A.I.D. and for recipients, the DFA entails a novel and challenging shift in how they have usually gone about the business of planning, carrying out, monitoring, evaluating and reporting on assisted activities. This shift is away from a traditional focus on planning, obligating and expending assistance, and toward an emphasis on obtaining and measuring the performance and results of this assistance. It involves a basic change in how A.I.D. carries out and rewards the programming and managing of its assistance. More fundamentally, it requires new procedures and activities through which:

- a commitment to results is created, clarified and maintained;
- program performance is defined, achieved and assessed; and
- an ability to make and enforce choices based on performance is institutionalized in A.I.D. and in recipient countries, in keeping with this commitment to results.

As of December 1988, the Bureau had already started the process of moving from the traditional mode to one that is more relevant to the DFA. Several studies and actions were underway to streamline operations, ease paperwork burdens, institute new budgeting procedures and formats, and consolidate information systems in AID/W and reporting between the field and Washington. An overall Action Plan for the DFA had been drafted. The following observations and suggestions address areas that needed further attention; and measures that the Bureau could take to move this process forward more quickly, and to instill more thoroughly the commitment and capability to put the concept of a performance - based program into practice.

## 1. OBSERVATIONS

The following observations focus on four areas of the Bureau's operations under the DFA: a) programming for results; b) monitoring and evaluating results; c) actually getting results through the program; and d) communicating results, choices and decisions, including reporting to Congress.

The Bureau was moving most rapidly in the first of these areas. This was to be expected because the Bureau, like the rest of the Agency, has procedures, staff and resources in place to carry out the traditionally high-priority tasks of strategic analysis, planning and design. The Bureau was moving more slowly on the second, with woefully inadequate resources and staffing. Hardly any action at all was evident in the third area. Thus, even if the Bureau were in a better position to monitor and evaluate performance, there might not be much improvement in performance for the Bureau to track and measure.

In the fourth area, senior management in AID/W had begun to clarify its requirements for information about program performance and results. However, much remained to be done to systematize and backstop these requirements, and to convince Bureau offices and Missions of their importance. Also, senior management was still confronting the very difficult hurdle of making choices and decisions about country and program allocations based on available information about performance. A critically important task for senior management was the establishment of some mechanism for consultation and learning through which the Bureau's making and enforcing of difficult choices would be an empowering rather than a debilitating experience.

### A. Programming for Results

Programming for results starts with clarifying the objectives, targets and benchmarks to which assistance will be programmed and budgeted, and against which actual performance will be measured and assessed over time. Since the political context of Bureau programming and budgeting has not evaporated under the DFA, all the key U.S. actors have to be brought to some reasonable degree of understanding and acceptance of a new programming approach, with a lot of continuing back-up. Intermediaries, recipients and other donors similarly need to understand that the conditions of assistance have changed under the DFA. So the process of "programming for results" has to be made transparent to others outside the Bureau, as well as to levels of staff within the Bureau and Missions.

The DFA Action Plan represented a giant step toward clarifying overall objectives, targets and benchmarks. The Bureau still faced a big task in relating these to more detailed planning in Missions, at least those in the so-called "Category I" and "Category II" countries. In particular, further analysis and planning would be needed in three areas:

- Defining specific criteria of "performance" and "results" at the level of Mission programs. There was still a great deal of uncertainty and disagreement over what the Bureau was looking for in the way of "results" under the DFA, and the associated balance between "non-project" support and direct-action programs and activities. For example, since the size of A.I.D.'s program in any given country would remain quite modest, how much of this assistance should be devoted to supporting the process of structural and policy reforms, how much should be invested in specific projects, and what form either or both should take, were still matters of debate. The Bureau was planning a workshop on designing and evaluating various modalities of non-project assistance, which was expected to clarify and resolve some of these questions. A related issue was whether "performance" would be measured at the level of a recipient country's overall economic reform and structural trends (regardless of the nature and size of the A.I.D. program) or at the level of the A.I.D. program (albeit within the context of broader macro trends). How the Bureau distinguished between these two areas of performance in making decisions about rewarding "good performers" was obviously of critical importance.

- Working out the practical transition between existing portfolios and a new strategy to address DFA program objectives. Few Missions were starting from scratch -- most had on-going programs that they would need to adjust or re-orient to DFA objectives and its new opportunities for flexible programming. Not every on-going activity would necessarily "fit" a new strategy; in other cases, activities had merit on their own or as targets of opportunity on which future efforts might build. It was expected that these issues would be resolved during the course of AID/W reviews of action plans and CDSS's.

- "Educating" senior management in the complexities of a new programming process. Flexible programming and performance-based decision-making sound great, but they are likely to require deeper substantive engagement and understanding of senior executives than before -- at least at the outset of planning country strategies and determining the role to be played by specific A.I.D. - funding activities in those strategies. Since the DFA was into its second year, getting everyone fully on board a new programming strategy was increasingly urgent.

Creating a workable agreement on program objectives and modalities at the country program level was necessary not only for the purpose of laying the basis for later assessment of performance, but also for the purpose of empowering high performance itself. Reasonably clear objectives -- translated into reasonably concrete ultimate results -- serve to create a strong commitment to accomplishment and a basis for deriving more proximate mid-term results toward which program managers can strive and against which they can observe their accomplishments. Commitment and benchmarks are essential for motivating staff toward actual accomplishment (see below, "Getting" Results).

### **B. Monitoring and Evaluating for Results**

Monitoring and evaluation are powerful tools for translating commitment into results. The Bureau had not yet positioned itself effectively to monitor and evaluate performance and ultimate results under the DFA. For a program that was so consciously a "performance-based" program, remarkably few resources were being devoted to tailoring, supporting, and carrying out activities necessary for gathering and synthesizing information on program performance and impact.

Responsibilities for these activities had been distributed to several units in the Bureau. Coordination of these activities, planning and carrying out a series of evaluation studies, and managing a host of related tasks all devolved on one part-time staff member in the evaluation branch of AFR/DP. This unit was seriously understaffed, a condition carried over from the period when program evaluation had a very low priority in the Bureau. The deficiency was paralleled in Missions.

The Bureau was developing a new management information system, and was putting into operation a budgeting system that would use a matrix of program elements, including activities funded under the FDA. The format for Project Implementation Reports had been revised to incorporate information from the most recent evaluations, including specific measures of progress when these were available. The Bureau had not yet assigned adequate resources for routinely pulling together and interpreting the significance of such information in relation to targets and benchmarks in the DFA Action Plan.

Since the Bureau appeared to be serious about making programming decisions on the basis of actual performance and results (however measured), two additional aspects of monitoring and evaluation needed attention. The first was a process for reporting failure creatively and rapidly. Alerting

management to implementation problems, and reporting on measures of progress and impact through PIRs and evaluation studies, were important. But they were not sufficient to encourage staff to "embrace error"; to whole heartedly pursue the daunting task of transferring this concept to dubious, resource-poor counterparts; and generally to adapt their operating style to the new opportunity for flexible programming through genuinely collaborative monitoring and "on-going" evaluation.

The second aspect that needed attention was a process of making transparent the relationship between evidence of performance and the ultimate decisions based on this evidence. It was not enough for the decisions to be made -- the decisions had to be seen as being based on performance. The attached "Decision Brief" was designed as an example of how the Bureau could demonstrate -- make explicit and obvious the connection between performance and decision. Similarly, future updates of the DFA Action Plan should continue to highlight instances where evidence about performance and impact led the Bureau to continue, alter or eliminate particular programs and activities in its strategy for promoting development.

### C. "Getting" Results

Programs don't "perform". People make or break the accomplishment of program results. While various ways of streamlining Mission and Bureau operations were being promoted, much less consideration was being given to how staff and counterparts could do things differently in their daily activities. So there was a risk that the Bureau would miss an opportunity under the DFA to increase the level of performance, the quality of results, and even the speed with which they occurred.

The new opportunity for A.I.D. staff could be summarized as follows: Relief from time-consuming paperwork and procedural requirements frees staff to engage much more actively in a genuine process of development program management with their counterparts. What would such program management look like, and how would it differ from customary routines? How could Missions not only create but sustain new management strategies, systems and procedures?

What "managing for results" would actually look like would obviously vary among Missions, because of diversity in leadership styles, the size and composition of Missions, and the country circumstances in which they operate. Nevertheless, certain features would be common to all Missions. These are:

- o Use of inter-divisional task forces in program planning and problem-solving;
- o Regular events for reaffirming and orienting staff and key host country people to the Mission's "vision" and commitment to this vision (e.g., retreats, all-staff seminars, select policy conferences);
- o Articulation of program objectives, emphasis on program implementation and management; and forceful use of the Mission Action Plan as a management strategy and tool;
- o Less emphasis on the CDSS; more emphasis on the Action Plan;
- o Programming and budgeting based on no-year funding; full funding for small programs and for activities that take advantage of targets of opportunity;
- o Focus (e.g., during staff meetings) on program impact rather than procedure/implementation status; within this, priority focus on the country context, conditions and needs first; clients and beneficiaries second; and specific programs third;
- o Program decisions and priorities based on empirical information;
- o On-going evaluation as part of regular monitoring of program activities;
- o Objective evaluation before major programming decisions are made;
- o Regular development, use and adjustment of automated management information systems, for routine budget/financial management and implementation tracking/control, and for substantive program analyses;
- o Greatly increased contact and regular exchange of development information/analysis with host country clients; greatly increased time spent "in the field" -- i.e., away from the Mission office;
- o Greater use of refresher and on-the-job training;
- o Use of foreign national staff for routine implementation procedures (all staff complete, A.I.D.'s project implementation course); and
- o Minimal requirement for additional personnel; regular identification of internal efficiencies to free up even more time and resources.

Results - oriented program management would engage staff time and skills in ways that differ from those they are accustomed to. Just how different is suggested by the following rough estimates of the proportion of their time that project officers in Missions devote to handling various requirements.

#### HOW STAFF SPEND THEIR WEEK

Requirement	Proportion of Time
1. Congressional, legislated and other "external" (e.g., CNS; functional accounts/earmarks; waivers; federal procurement regulations; queries)	60%
2. AID/W (e.g., contracting; financial accounting and resolution; program planning and design/obligation; implementation reporting; audits)	20%
3. Host country: a) "Non-substantive" (e.g., placating disgruntled contractors and counterparts; breaking implementation logjams; maintaining counterpart interest; getting agreement on external evaluations; writing PILs)	20%
b) Substantive (e.g., sharing information/ideas; joint analysis; collaborative monitoring, evaluation and problem solving; field site visits; seminars and workshops)	(*)
4. Personal job-related development (e.g., reading, thinking, exchanging ideas with colleagues, effectiveness training)	(*)

\* These requirements usually yield to the others. Exceptionally committed staff handle the fourth requirement on evenings and weekends -- referred to as "burn-out" time. Requiring staff to throw away their VCRs, as suggested half-seriously by one interviewee, is not really a solution.

Enabling staff to focus on results would in part require Bureau action to obtain relief in two areas from Congress and the Agency as a whole. The first is an increase in OE levels -- through increased authority to use program funds for operating expenses or by obtaining a larger OE allotment chipped in by other Bureaus, or both. The latter option may be considered because most (though not all) the increase needed would be a one-time allotment. It would be used, for example, to cover the up-front investment in designing, testing and putting into operation new ADP systems to handle routine management and data processing tasks. It would be in the interest of other Bureaus to support an observable and resounding success in the DFA, to convince skeptics that A.I.D. can indeed do business differently and more effectively under new rules.

A second area of relief is a change in procurement practices. The Bureau needs relief from having to contract for "products", when in fact what is required is an ability to renegotiate specific activities against contractually - agreed overall objectives or themes, without having to undergo an entire re-contracting process. A.I.D. can enter into this kind of contractual arrangement in the case of cooperative agreements. However, cooperative agreements cannot be as easily established with private sector firms (as distinct from universities or cooperatives); yet such firms are often precisely the organizations with experience in flexibly managing varied implementation tasks to accomplish results. A management style appropriate to flexible programming demands a similarly flexible contract mechanism.

Managing programs to get results would require staff to spend a much greater proportion of time in communication with counterparts and others whose actions would be vital for bringing about change, either directly or -- where security problems limit access -- by obtaining information about real conditions affecting the chances of program accomplishments. An important part of this communication would be listening and observation through visits to locations where results or the absence of results can be seen ("management by walking around"). It would involve more intensive monitoring not only within the domain of programs but of the broader environment in which program activities occur, including efforts supported by other donors.

A different management style involves working with, not simply in parallel play to, program counterparts. Counterparts and others important to program results rarely if ever spend their working day and week on a single donor program. Creating a shared commitment, informal and flexible "contracts" (promises and follow-up), and ways of empowering effective counterpart management would be important elements of A.I.D.'s management interventions. In collaborative monitoring and

on-going evaluation, for example, results oriented management puts a special twist on the types of measures or indicators that would be used to track performance and effects. There is a subtle but crucial difference between indicators that are used to control implementation and indicators that are used to empower a high level of performance. Management information systems for monitoring programs should include both.

Can staff move into this new opportunity, and sustain a results - oriented management strategy? Even under present practices, project officers in a number of Africa Missions are less involved in actual project management than their colleagues in other Bureaus. However, the Bureau will only discover whether change is likely by actually acting on the possibility.

The Bureau can draw on several resources to initiate change. Mission directors have been recently introduced to new management concepts through the two-week senior executive seminar. What is missing, of course, is parallel exposure to such concepts by the rest of Mission staff who still confuse "management" with "implementation". As a result, the working environment is not conducive to allowing new concepts to take hold and grow in the context of actual programs -- for example, concepts like the powerful effects of creating a Mission "vision", participatory management procedures, and individual goal-setting and performance feedback. Thus, while directors may be willing to arrange for trial periods free from risk to personnel, staff may be skeptical; they may initially worry about what this means for their EERs, and may cling to existing rules about "how things are done around here." On the other hand, the enthusiasm of participants over the collaborative evaluation workshops and the second generation of Mission consultancies suggests that staff are eager to embrace new approaches and techniques when these are grounded in real programs and country conditions.

There is a lot of practical and useful experience available about effective program management and teamwork (as distinct from "generic" management skills currently covered by A.I.D.'s training courses). Much of this is "ready to go"; that is, it is already close to meeting the requirements for program management training appropriate to operating in countries with differing institutional resources, conditions and levels of development. The slowness with which A.I.D. has been bringing this experience into its own practices and staff skill training does not mean that it couldn't experiment more boldly. The DFA offers the Bureau a chance to do so, and to justify exceptional measures for this purpose.

**D. Communicating Results and Decisions**

Under the DFA, the Bureau agreed to consult regularly with Congress on the performance and impact of the program being assisted. Senior management was committed to honoring this arrangement, and was determined to devote these consultations to discussions about results and their implications rather than about future plans and funding levels.

Bureau resources and procedures for effectively backstopping these consultations had not yet caught up with senior management's need for information about progress, results and implications. At one extreme, senior management itself needed to be given a more intimate understanding of the logic and substantive analyses underlying the country program strategies that staff were putting together, especially during the coming year when a new program planning approach was taking hold. This understanding would buttress management's command of what was being required of the Bureau in actual practice, on which they could then speak confidently. At the other extreme, senior management needed information about performance packaged in ways that would be most supportive of a useful and mutually educational dialogue between the Bureau and Congress. Management should have readily available a reasonable variety of communication aides -- summaries, graphs, flip charts, comparison illustrations, short reports, anecdotes that encapsulate more broadly generalizable results (supported by credible data), and the like.

The Bureau needed to avoid any tendency to go overboard in reporting results, in two ways. The first was to overwhelm outside audiences with too much elaborate detail about results, or with so many qualifiers that the significance of the results reported is submerged in confusion. The kind of detailed data and careful analysis that the Bureau needs for its internal program decisions is not the same as the substantive materials required to inform a consultative process. For the latter process, the information should express summary results and key implications. The agenda for each consultative meeting should differ somewhat, taking up selected aspects of program and country performance over a period of time, with opportunities for discussion and clarification. Congress was clearly concerned about the bottom line -- evidence that progress and results were occurring, and the Bureau's judgements in interpreting the significance of such changes for development prospects.

The second tendency to be avoided is the "success story syndrome." In its reporting to external audiences, the Bureau should present information in a way that alerts these audiences to issues that may well influence future programming--e.g., the limits to an apparent success and the limits to an apparent

failure, in achieving results. The kind of reporting that conveys the concept of a performance--based program should include both, and the Bureau needed to get its story straight in presenting both. Since the Bureau, like the rest of the Agency, faces a prospect of declining assistance levels in the short term, its reporting should reflect the costs, including future sustainability costs, of the results or benefits achieved through specific program strategies as compared with alternative strategies or even alternative uses of the funds. Two cases were observed in which reporting on successes and shortfalls of programs failed to explain adequately the cost-effectiveness and sustainability issues involved, and on which Congress might receive conflicting stories from the Bureau.

On the other hand, no report is quite as successful as an anecdote that epitomizes how foreign assistance has had an impact on the lives of specific beneficiaries in enabling them to gain greater control over their economic fate, their well-being, and their ability to be productive members of their communities and countries. So long as such anecdotes illustrate in concrete detail a broader generalization about sustainable change, they are important for Agency staff as well as external audiences, as feedback about the efforts in which they are engaged.

Communicating programming decisions based on performance is at least as important under the DFA as is reporting on performance itself. In a performance - based program, a signal has to be given by senior management only once to move staff into serious action on their commitment -- that signal is a decision about funding that was transparently made on the basis of credible evidence about impact. Decisions are made all the time about country and program levels. The important difference under the DFA is that such decisions be seen as being based on actual performance and results. Particularly for programs in most African countries, which tend to be long-term strengthening or facilitating efforts rather than direct-impact interventions, mutually agreed measures of performance and intermediate or "leading" measures of expected results or impacts are needed to inform program decisions. Whatever the criteria for performance, the Bureau will need to demonstrate that decisions are being made based on performance, and that it is holding itself and its country counterparts firmly to performance criteria that reflect a strong mutual commitment to intended results.

## 2. SUGGESTIONS

The following suggestions build on what has already been started by the Bureau or proposed in the DFA Action Plan, specifically the final brief section entitled "A.I.D.'s" Management Objectives Under the DFA."

The first suggestion is simply to get into action more rapidly on these management objectives as well as on measures that address observed opportunities and deficiencies described above. The second is to upgrade monitoring and evaluation resources. The third is to experiment intensively with a new management style in three Missions. The fourth is to strengthen the backstopping of consultations with Congress. And the fifth is to bring new evaluation approaches into the Bureau and into field settings.

### A. "Do It"

The Bureau has to start from where it is, and the first suggestion is to start right away, accept the risk of failure and be willing to work with failure if it occurs. The Bureau will find that it overestimated the risk of starting off before organizational, personnel and procedural conditions are perfected and in place. In fact, some conditions for achieving results under the DFA can only be developed through trial and error -- that is, through action on a commitment to making a difference in African development by using the new opportunities provided by the DFA.

The risk of not stepping out is perhaps more serious. For example, if the Bureau were to wait for some clearer resolution of current disagreements over objectives and results, it faces the risk of paralysis. Yet, a Mission cannot "manage for results" unless it is clear about the results it is after, and a team cannot function effectively if different members of the team see different objectives. There really is no easy way to get out of this bind except to get out of it. Senior management has to reaffirm that what the Bureau is committed to is maximizing impact, tell people to get off their individual agendas, make some initial choices, then hold Missions strictly accountable for results, with the freedom to adjust and even abandon initial program tactics. Some degree of program ambiguity remains tolerable, and no choice is set in concrete forever.

Similarly, the organization and staffing of the Bureau and Missions was "out of sync" with the opportunities and program management requirements of the DFA. However, any major reorganization would depend on greater clarity about what the Bureau wanted to achieve under the new program; the process of

a reorganization is itself slow to take hold. In the meantime, scope already existed for experimenting with innovative organizational models, and such experimentation could begin right away. Waiting for all organizational pieces to be in place would mean that the Bureau would lose time and experience.

A willingness to experiment would provide further evidence to Congress and others of the Bureau's commitment to doing things differently. Once again, results are in order: reporting that Mission staff are able to spend up to 50 percent of their time in substantive collaborative management and in observing what is happening in the field (the result) is more important than reporting that most routine Mission tasks are computerized (the means).

"Doing it" is operational and involves operating costs. The bulk of such costs would be front-end loaded as new systems are installed, intensive consultancy support is provided to Missions, and staff undergo training. These costs would initially be substantial (see attached estimate) and would fall steeply after the first two years of major investment in program management capabilities.

#### **B. Assign Additional Resources To Key Functions**

Two measures would enable the Bureau to position itself for more effective operations under the DFA. The first involves personnel resources, and the second involves staff training. The following suggestions deal with these.

1) Add three and preferably four staff positions to the programming and evaluation support function in AFR/DP/PPE. This measure could be implemented in part by reassigning positions from other offices, rotating staff from other offices through the division for a period of one year, or by begging, borrowing or stealing interested staff from other Bureaus. The additional resources would allow the division to create task forces to carry out two critical activities:

-- Assisting Missions in programming their portfolios, and defining targets and benchmarks, under the DFA. Recent division experience suggested that a lot can be accomplished through TDYs to clarify new requirements; to build Missions' understanding of (and confidence in) using their Action Plans as genuine program management tools; and to establish a basis for future dialogues about program performance between Missions and AID/W. TDYs are likely to be a more efficient means of accomplishing these results than issues meetings, cables and program weeks in AID/W. Preferably, the TDYs would be initially "twinned" by including individuals from other Bureau offices, to expand quickly a Bureau resource familiar with new planning approaches. TDYs would continue to be scheduled in accordance with Mission preparation of Action Plans.

-- Coordinating a larger program of evaluations, and packaging evaluation findings. The concept of a Bureau-wide evaluation committee and the delegation to various offices and divisions of specific tasks associated with program monitoring and evaluation needed much more coordination, encouragement, support and follow-up by the division.

2) Provide training to AFR/PD staff in AID/W on new approaches to program monitoring and evaluation. If Missions are to be able to measure performance and be able to use their Action Plans for genuine program management, AFR/PD staff have to be fully empowered to work with Missions on their development of information systems to support closer monitoring and evaluation of specific projects and other program activities. This could be addressed through a workshop for PD staff that parallels contracted consultancies/workshops in Missions. Such a workshop should incorporate the measures and indicators that were being developed in AFR/TR divisions (e.g., for natural resources programs) as well as in PPC/CDIE. The Bureau could then sponsor the workshop in additional Missions.

A second avenue for training for both Mission and AID/W staff was a workshop being planned jointly by DP and PD on the design and evaluation of non-project assistance. There was possibility of collaborating with A.I.D.'s training division, which had proposed a new course in program management with an emphasis on non-project assistance.

In the past, when A.I.D. felt an urgent need to instill new concepts and approaches into its operations, A.I.D. has not hesitated to undertake intensive staff training in a relatively short time. Examples are the major effort to instruct staff in the use of the Logical Framework in the early 1970s, involving courses in the field and in AID/W; and the senior executive seminar started in 1984.

### C. Experiment in Three Missions

The Bureau could deliberately experiment with an innovative style of program management in three Missions without waiting for all on-going studies and new systems to be completed and in place. Experimentation itself can clarify opportunities and problems of operating differently under the DFA.

Bureaucracies usually prefer to experiment with pilots rather than embark on a wholesale change. This may not be the most efficient strategy, because experiments in a limited number of pilots that require changes up and down (vertically) a bureaucratic hierarchy may be counter-productively bothersome to individuals responsible for the operational systems involved -- i.e., each experimental Mission may require too many exceptions to the standard operating procedures of the Bureau

as a whole. Nevertheless, anomalies are already the rule rather than the exception in most Africa Missions. Also, A.I.D. has used experiments before, the most recent being the "Asia Experiment" in the reform of the Agency's programming system. Finally, three is a magic number; four would be just as acceptable.

Missions participating in the experiment would receive a greater degree of consultancy and TDY support in such areas as collaborative programming, management information system development and maintenance, cross-cultural communication and implementation skills, field observation techniques, methods of working in teams, and organization of collaborative workshops and seminars. These would be accompanied by operational changes: focus on the Action Plan; abandoning the CDSS; use of full multi-year funding of small activities and country programs, and of no-year funding to reduce time spent on the authorization and obligation process; consolidation of routine functions; and cross-division teams. Regular reviews of performance and interim results would be based on a collaborative process of goal-setting, commitments, observation and feedback. The evaluation process would incorporate new techniques for promoting high performance (see below, "Bring New Evaluation Approaches into AFR").

What are the conditions for an experiment? First, the Bureau's leadership and senior management would have to wholeheartedly endorse and support it for two years. This would include a willingness to approve exceptions and override arguments against non-standard procedures. They would have to publicize the experiment inside and outside the Bureau, and actively garner interest and support from skeptics. And they should be alert to opportunities to reward staff participating in the experiment.

Second, all A.I.D. staff assigned to a participating Mission must be given an initial opportunity to buy in or buy out after the innovative nature of the experiment is explained to them. Third, directors of Missions selected for the experiment must have completed the two-week senior executive seminar. It would be essential that the directors have this appreciation of effective management practices; that they are willing to provide staff with risk-free periods to try out new practices; and that they feel comfortable and confident in championing new practices to others outside the Mission (Embassy, press, host country officials, and auditors). One of the aims of the experiment is a Mission environment in which the concepts of the senior executive seminar can be put into action, in carrying out the Mission's assistance program.

The Bureau can solicit the interest of all Missions, but the final selection should reflect some reasonable representation of Mission size, location and program complexity. It should also seek a balance between avoiding preaching to the already convinced and taking advantage of conditions that will give the experiment a fair trial. The following are suggested as candidates: Zaire, Malawi, Senegal, Madagascar, Mali and Lesotho.

How can the Bureau assess the results of the experiment? Participating Missions will be able to demonstrate a measurable improvement in the direction and momentum of program performance and interim results, as compared with their previous experience.

Other measures of a successful experiment would be:

-- A rapid increase in the proportion of staff who spend between 30 and 50 percent of their time "in the field" in strengthening commitment, and in observing program-induced changes--in collaboration with counterparts.

-- Staff request reassignment or assignment to another experimenting post.

-- The Mission receives requests from host country representatives, including participants in other donor programs, for acquiring related management skills and operating systems tailored to country resources.

-- Reports on the progress of program activities more frequently mention failures in achieving pre-set targetted results, and less frequently mention factors "beyond management's control."

The management characteristics that would be observable in experimenting Missions would be qualitatively different from what is usually called "active management" in the field today. Competent officers already regularly adjust and modify project elements (resources and activities) as needed to move implementation forward -- although there are still instances in which project officers consider the initial design as inviolable. Also, Mission management is already willing to terminate projects when it judges that sufficient time and money have been expended to achieve results, often overriding the advice of technical staff who wish to give the project one more chance. A different management style would create and constantly refresh a commitment to results among all the key stakeholders in a program, and then put into operation a system of mutual promises, requests and actions toward those results, characterized by numerous collaborative problem-solving, learning and "policy dialogue" events. Given the resource-competitive context of African Countries, a more actively

engaged and interventionist management would handle more constructively the politically difficult problem of terminating or altering specific activities. It would keep the commitment to, and the urgency of, obtaining results in the forefront of the kind of programs that are likely to characterize most Mission portfolios in Africa -- that is, programs that are facilitating and strengthening rather than direct-impact.

A final measure for assessing the experiment is an increase in substantive communication and analytical exercises involving Mission, contracted and country staff. There would be many more meetings, seminars, conferences and workshops sponsored by the Mission that draw staff into a closer understanding of the country environment. Such events are often seen as a waste of time, and many meetings are. But with provocative agendas, such events would promote substantive communication, action and change.

As the experiment proceeds, the participating Missions and AFR/DP should jointly track the increased operating costs that were required to support it, and take stock of the outcomes with an eye to identifying the inputs that appeared to be particularly effective in generating changes in management practices. Some may be so obviously effective that the Bureau could consider them for immediate wider application. Given the opportunity, participating Missions themselves are likely to be sources of useful ideas and shortcuts.

#### D. Backstop Consultations With Congress

More resources in AFR/DP/PPE to coordinate, synthesize and package information on performance and impacts would better position the Bureau to engage in a series of informal consultations. In addition, senior managers can take two steps to backstop this process.

The first is to assign an individual whose job would be to accompany Bureau executives to these sessions, to "listen" for the concerns of Congress, and to feed this back into the information gathering process in AFR/DP. Executives may prefer being loners in handling these events, but they should avoid such tendencies.

The second is to ensure that Congress understands the operating as well as the programming implications of a new way of doing business. And rather than expressing a need for across-the-board relief in certain areas (e.g., requirements for more operating expense funds, blanket waivers), senior managers should be prepared to present and justify operating <sup>specific</sup> needs within specific time-frames.

### E. Bring New Evaluation Approaches Into AFR

Because it has not focussed on program performance and results, the Agency as a whole has fallen behind in incorporating advances in the state-of-the-art of evaluation. The DFA offers a major new opportunity for the Bureau to adapt several of these advanced techniques in support of "doing business differently". A few of these are described below. Integrating them into program management would be addressed through training and subsequent changes in operating procedures.

1) Stakeholder strategies. These strategies use the evaluation process to "learn together how to succeed." They involve all key actors -- that is, individuals in public and private sectors whose commitment and actions can make or break a program -- in one or more stages of the evaluation process. The techniques of implementing these strategies without overburdening busy staff are by now well-advanced in U.S. practice, although their application in donor-assisted programs is less well developed. Team planning meetings (TPM) prior to evaluation employ such strategies.

2) Focussing evaluation recommendations on future scenarios and potential alternatives. The recommendations of A.I.D. - sponsored evaluations usually take the program for granted and emerge from an analytical process that essentially sorts out the past. Newer techniques acknowledge that an evaluation can at best provide a snapshot of a moving scene -- that what is observed to date may have no relevance for tomorrow, next week or next year. They permit evaluators to search for alternative approaches toward the same outcome, and to couch recommendations in future scenarios and trade-offs. Some techniques can be computer-assisted, displaying these scenarios graphically or pictorially as an extremely effective way of communication.

3) Rapid, low-cost methods. These are rigorously-based but rapidly-executed methods for observing and estimating measures of changes that are (or are not) occurring at various stages of a program. When staff are freer to participate more actively in field evaluations, or seek to engage busy counterparts to participate in on-going evaluation exercises, they become ready customers for such methods. They have been quite well developed and tested for use in developing country contexts.

4) Empowering measures and indicators. These employ a program model that contains both predictor and intermediate outcome measures that program staff believe they can influence, as well as measures of final outcomes. These can include key measures of the coverage, quality and cost of services actually provided through a program, as indicative of the direction of a program toward desired outcomes. They also include measures that identify improved performance, higher-than-expected performance, and performance comparisons between locations of program activity.

5) Implementation process evaluation. These methods go well beyond the customary A.I.D. evaluations that examine implementation status and problems. They get the kinds of data that program managers can use as guides in putting together an effective and efficient package of support for program implementation. The formal steps and rigorous analysis of these methods would be especially applicable to large programs and larger organizations. They can also be used to assess implementation of Mission experimental "programs" in innovative management.

Estimated Operating Expense Budget

Programming Support

TDYs to support Mission development of Action Plans, objectives, target and benchmarks (12 Missions)	\$75,000
Pilot workshop on design and evaluation of non-project assistance*(AID/W)	110,000
Data management support for AFR/DP	100,000

Program Monitoring/Evaluation Workshops

Collaborative Workshops (15 Missions)	525,000
AFR/PD Workshop (AID/W)	25,000

Support for Three-Mission Experiment

Operating Systems Development/Applications	200,000
Program Management Skills Training	220,000
FNDH Implementation Training	180,000

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\$1,435,000

\* Part or all of this cost may be assumed by PFM/PM/TD.



# DECISION BRIEF

*Putting Knowledge To Work for Program Performance and Results*

ISSUES

Options

Evidence



# INFORMATION BRIEF

*Putting Knowledge To Work for Program Performance and Results*

## IMPACT

The Need

The Results

The Response