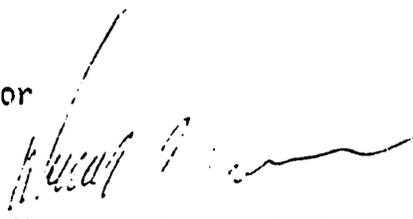


~~File: [unclear] [unclear]~~

January 12, 1983

TO: The Administrator

FROM: Donald S. Brown 

SUBJECT: Country Program Management Appraisals

You have asked me to review the proposal submitted to you concerning Country Program Management Appraisals and to make my own recommendations on whether a formally organized program appraisal system is desirable.

I have discussed the CPMA proposal with a wide range of agency officials and have also reviewed past systems of program assessment used by AID as well as the inspection system used by the Department of State.

I have concluded that there is a real need for a system to appraise program and management effectiveness. To varying degrees, regional bureaus and other senior agency officials appear to agree on that need.

At the same time, any appraisal system will add significant work load to already overburdened staffs. Consequently, it should be based as closely as possible on existing organizational arrangements and assessment mechanisms to minimize staff demands. Based on the studies I have undertaken, I believe this can be the case only if the appraisal system is centered directly in the regional bureaus and is not operated as a central office function.

In the attached report I am therefore proposing that the regional bureaus be the major focal point for program and management assessments. I propose that a strengthened CDSS review remain the primary means for assuring effective program strategy and content but there is also need to spell out more clearly how the Agency will achieve strategy objectives. I also propose that each regional bureau organize and undertake a more specific assessment in one country per region annually, primarily to consider the real development impact of what we are doing. Finally, the report recognizes there will still be need to undertake some special, ad hoc assessments.

Specifically, the report recommends:

1. The CDSS process itself should be strengthened by clarifying the time frame involved and by including a summary action document to serve as the basis for clear understandings between AID/W and the field on what is involved in approving a CDSS.

*a*

2. The establishment of Action Plans associated with CDSS preparation and approval which spell out more precisely the steps needed to be undertaken, on a specified time schedule, by field missions and Washington bureaus, in order to meet the strategy objectives set out in the CDSS. The Action Plan system would have a built-in follow up system. ←

3. The establishment of a systematic country-level assessment program, managed by the regional bureaus, involving an appraisal of one program in each region each year, seeking to assure that the strategy and program content established by normal planning mechanisms are actually having a developmental impact - and also to serve as an evaluation device that can meet broader cross-fertilization purposes within the Agency on what works and what does not.

4. Recognition that some additional assessments may be needed in the case of problem programs and management systems or for evaluation purposes, but the desirability of treating these as ad hoc cases with assessment methodology to be developed on a case by case basis.

Representatives of regional bureaus have had a brief opportunity to review a draft of this report. They appear unanimous in believing that strengthened program and management assessments are needed. They welcome the focus given in this report on the role of regional bureaus in that process and on the emphasis on an improved CDSS process as the center point for developing better program strategies. There is some concern about the "Action Plan" concept discussed in this paper, feeling it inadequately spells out what this might cover and thus how workable it might be. I understand this concern and regret that time did not allow me to develop a more detailed annex about the Action Plan; obviously that will be needed to make the system acceptable. One bureau continues to question whether the system proposed does in fact give us enough strength in assessing management capacity and management systems, feeling that in present circumstances there is simply too much diversity and too great an ad hoc approach to mission organization and management systems. That bureau feels that a State Inspector General approach which concerns itself primarily with management systems rather than policy and strategy might be applicable to AID. While I am sympathetic to their concern about diverse mission management systems, I continue to believe that interaction between regional bureaus and central management offices and then between regional bureaus and field missions is a better way to bring about increased congruity in mission management systems than by the centralized function. Similarly, Dick Blue and Ain Kivimae have already sent you a copy of a memorandum in which they disagree with a decentralized assessment system - however, for the reasons given in this report I continue to believe a decentralized system, if fully supported by you, is the most effective approach.

Any strengthened program assessment system will add work load. For it to work, your personal interest and support will be required. The proposals in the attached report seek to root an assessment system in on-going procedures and to add as little additional burden as possible. I think these ideas can be helpful to the Agency if you decide to give them your support.

Attachment a/s

cc: Deputy Administrator  
Counselor to the Administrator

## I. Introduction

In August, 1982 there was submitted to you a proposal for "Country Program Management Assessments", prepared by Richard Blue and Ain Kivimae. Later you asked me to review their proposal and to make my own recommendations on the desirability of a formal system for program/management assessments.

The Blue-Kivimae proposal was based on three concerns:

- Within a system of increased delegations of authority, constant feedback is required to assure effective program management.

- When the Administrator is introducing new policy initiatives and priorities, there is need to be sure that field missions are responding positively.

- There is need to assure that central functional bureaus are providing effective support to field staffs and that central management bureaus' relations with field missions lead to the most efficient use of limited resources. In order to meet these needs, Blue and Kivimae proposed periodic assessments of country program management to cover the following areas:

- Substance of development strategy
- Adequacy of program and project formulation
- Effectiveness of mission management, particularly with regard to:

Personnel

Budget and Fiscal

Program and Project Management

- The political/development relationship (including positive working relations between A.I.D. field missions and the rest of the Embassy community).

- Development results

- Effectiveness of supporting systems (functional and management).

Blue and Kivimae recommended that individual country assessments be made by ad hoc teams headed by senior A.I.D. personnel and consisting usually of four persons (including perhaps an outside management specialist). The teams would operate under the general aegis of an Advisory Panel and a Management Committee. PPC/Evaluation would serve as the general manager of the system.

When I initiated this study, I was basically in agreement with the Blue-Kivimae proposals. In part this came from my own experience in Egypt where I had often felt that an objective outside appraisal of what we were trying to do could sharpen our thinking. In preparing this report, I talked with representatives of all regional bureaus, with several mission directors, with the former director of the Operations Appraisal Staff, with other senior agency officials and with the State Inspector General's Office. I also reviewed reports prepared by the Operations Appraisal Staff and the earlier Operations Evaluation Staff and discussed their impact with senior agency officials.

My conclusion is that an appraisal system can help us

improve program strategies, provide greater cross-fertilization of programming and implementation between Bureaus, and can improve mission management practices. However, I also conclude that a strengthened country program management appraisal system should be a regional bureau function and should not be under the wing of any central bureau or office.

## II. What are A.I.D.'s Country Management Assessment Needs?

There are several reasons for making assessments of the effectiveness of our country programs and field mission management of them. I judge that the regional bureaus basically agree on the need for such assessments, but they have difference approaches and somewhat different capabilities. For a variety of reasons, the Latin America Bureau probably feels most comfortable that it already has a clear picture of the strengths and weaknesses in its portfolio and in its knowledge of mission capabilities. The Africa Bureau, given the large number and variety of its field programs and the problems of distance and communications, appears least comfortable about field-Washington relations over program and strategy.

In any event, I would state the Blue-Kivimae list of assessment purposes differently, since I believe there is need for a variety of approaches rather than the single one advocated in their proposal.

First, there clearly is need to assess the effectiveness of individual country strategy and program content and the

relationship of this both to country needs and to new agency policy initiatives.

Second, there is need for assessment of special cases where it has become obvious, due to changing circumstances or to persistent program failures, that major reconsideration of strategy or program content is called for, or where agreed upon changes in strategy require a reassessment of management needs and style. In the case of Haiti, such a special appraisal concerned itself both with strategy and management needs. The increasing difficulties of the Sudan led to intensive reassessment of our role there by the special task force. At present, the Africa Bureau and the new Liberia mission director recognize that the acute budgetary problems of that Government require reconsideration of program strategy; the mission director also seeks additional guidance on internal organizational and management issues.

Third, there may be real value in undertaking assessments under special circumstances to serve as learning and evaluation processes in order to guide future programming. For example, the Near East Bureau and PPC are presently considering an analysis of the Portugal program as an example of a case where economic assistance was used to support certain defined political objectives. The purpose of such an evaluation is not intended to impact on the Portugal program per se, but rather to provide useful guidance about what went right and what did not for those who may be faced with planning future programs in

other countries with roughly similar objectives.

Fourth, there certainly is the need to find a variety of mechanisms to help missions improve their own internal organization and operating systems, to assure the most effective means are in place for strategy, program and project development and for oversight of the implementation of agreed upon activities.

Finally, there may well be times when it is desirable to assess the style of management, particularly the effectiveness of the mission director.

### III. Approaches to Country Program Management Assessments

#### A. The Locus of Country Program Assessments

If it is agreed that there is a need for assessment of the effectiveness of programs at the country level - and to varying degrees there does seem to be general consensus on this need - then it is also necessary to decide organizationally how an assessment program should function.

Since its establishment in 1961, A.I.D. has undertaken a number of approaches to carrying out program assessments. In the 1960s, there was established the Operations Evaluation Staff, reporting directly to the Administrator. OES was staffed by a number of high level A.I.D. officials, including several mission directors. In its approach to assessments, OES prepared a complete scope of work, undertook desk analyses in Washington, held a pre-departure meeting with senior

officials, often including the Administrator, carried out team field visits of 3-4 weeks, and then prepared draft final reports which were again discussed with and finally approved by the AID Administrator. A follow up system was established, with regional bureaus and field missions providing progress reports on OES recommendations.

The primary rationale for OES appears to have been that, as a new agency, drawing together program strands from a variety of different predecessor agencies, A.I.D. needed an oversight mechanism to assure that the new agency's constituent parts were carrying out new policies and were effectively integrating the various assistance instruments available to A.I.D. Further, this was a period of development of new policy guidance and OES was a means to assure application of policy initiatives. While current records do not show clearly how effective OES may have been, it does appear to have made some useful contributions until the new agency did fully gel.

In the 1970s, the Operations Appraisal Staff was established in a somewhat similar manner. OAS was originally part of the Inspector General's Office, but later moved to PPC. OAS functioned somewhat like OES in that it went through a desk review stage, a field review, preparation and review of a draft report with the various elements of A.I.D. affected by the report, and then submission of a final report to the

Administrator. However, OAS apparently did not have the same close relationship to the Administrator's office as did OES and did not have a follow-up system. Initially looking primarily at country program strategy and content as well as mission management, OAS was also called upon from time to time to review organizational and related issues (the value of the REDSO concept in Africa; the continuing need for ROCAP, etc.). OAS members felt that the value of their contributions depended largely on the interest of the A.I.D. Administrator, and that varied during the course of OAS's existence.

However, in reviewing OAS reports and talking with persons concerned with their implementation, I find little indication that the OAS had significant impact on country programs, particularly on program strategy and content. OAS was abolished following Congressional criticism of its costs and lack of interest in its functions by the then Administrator in the face of these criticisms.

A third approach to assessment, concentrating primarily on the effectiveness of mission director management and whether A.I.D. field staff were operating efficiently and leanly, was undertaken by Administrator Gilligan, through a series of visits to field missions by a Special Assistant who undertook in-depth interviews on mission operating style, living styles, internal communications and the like. The primary result of these efforts was to assure the Administrator, contrary to his own expectations, that A.I.D. field staff were in fact

largely well qualified, hard working and following an acceptable life style.

Despite the existence of these formal assessment mechanisms, it is clear that the vast majority of program strategy and content changes and the majority of organizational and managerial changes which have occurred within the agency over these past twenty one years have emanated from the continued overall appraisal functions of the regional bureaus themselves.

There appear to be two major weaknesses to a centralized appraisal systems: first, no matter how well qualified and prepared, it is extremely difficult for parachute-type teams to know enough about country circumstances and the factors underlying program strategy decisions to be able to make really constructive recommendations on program strategy and content beyond that which is already occurring in the normal programming process; second, a centrally run appraisal system inevitably produces unhealthy tension, appraisal teams being resented and/or resisted by regional bureaus and field missions. Another consideration is that if team leadership is strong and well-experienced, there is tendency to impose personal views on recommendations (which may be realistic but will still be resisted by regional bureaus and field missions) and if team leadership is not adequately strong, then the results are likely to be meager. In any event, centrally focussed appraisal systems add extensive work load to already

burdened staffs and as such may actually dilute ongoing regional efforts to strengthen programming and management.

The Blue-Kivimae proposal seeks to overcome the weakness in past appraisal mechanisms by putting a substantial responsibility for appraisals on the regional bureaus. However, their proposal still involves considerable centralized direction and follow-up and is viewed by all regional bureaus as impinging on their responsibilities.

Therefore I would go further than the Blue-Kivimae proposals in putting full responsibility for carrying out program appraisals with the regional bureaus. This needs to be done under guidance from the Administrator on what is expected. The Administrator and key senior officials should be involved in determining the type of appraisals to be undertaken and should participate in their outcome. But primary responsibility ought to rest with the regional bureaus.

B. Program Strategy, Content and Development Impact

A key concern of the A.I.D. Administrator and of all A.I.D. staff is whether we are elaborating the right program strategy in individual countries, whether we are developing workable projects and activities which can implement that strategy, and whether the end result makes a meaningful contribution to the development needs of the country in question.

There is already in place a system for assessing program strategy and content. Imperfect though it may be, the CDSS and

ABS preparation and review process represents the single most important way we look at what we are trying to do on a country by country basis. It also represents a major commitment in time and effort by both field and Washington staffs which simply cannot be duplicated by short term appraisal teams. Given the recent moves to integrate the CDSS process into broader regional and agency strategic planning concepts makes this process even more critical and reinforces further the desirability of avoiding other mechanisms which can dissipate this already existing system.

The CDSS/ABS process is clearly not perfect, as exemplified by the need to supplement that process by special study efforts in three different country situations in the past year. Some of the limitations of the present system are:

- The time frame for the CDSS is of such a nature (since one is projecting a five year strategy starting two years off in the future) that it can be misleading in terms of what we are actually going to do in the immediate future. Further, the CDSS is such a complex and lengthy document that it now becomes difficult to know what is meant by its "approval".

- The ABS services a multiplicity of purposes, including not only program content but budgetary allocations, operating expense requirements, personnel projections and the

like. While all of this is critical information for management and for Congressional Presentation purposes, these varied purposes detract from a serious analysis of the degree to which program content actually is supportive and overall CDSS strategy.

- Too often the CDSS/ABS review process is not given sufficient importance. While participation in these reviews by regional bureau and field mission personnel is generally adequate, there are still cases when senior staff do not participate adequately or are not fully aware of the key issues. As far as central bureaus are concerned, high level participation is rare and too often those who do attend primarily grind their own axes.

- Since the CDSS/ABS process is essentially projective, there is virtually nothing in it which seriously seeks to look at the real developmental impact of what we are actually doing and at how well we are accomplishing what we have earlier set out to do.

Later, I will make proposals to strengthen the CDSS/ABS and program appraisal system to overcome some of these weaknesses. What I want to emphasize here, however, is that it is strengthening of this system, with emphasis on the role of the regional bureaus, rather than the adoption of a centrally focused appraisal system, which could lead to better program strategy and content. In the same vein, it should be primarily through the CDSS/ABS process that the regional bureaus be responsible to assure that individual country programs take fully into account new policy initiatives

and to make central bureaus aware of the roles they should play to support agreed upon country strategy and content.

C. The Problem Cases - Where the CDSS/ABS Process Does Not Work

No matter how well improved might be the CDSS/ABS system, it will fail on occasion and other approaches to strengthening program strategy and content may be needed. World economic circumstances may put particular strains on countries (or may provide them with new opportunities) requiring a reassessment of what we are doing. Internal leadership changes or acceptance (or nonacceptance) of policy change may require reconsideration of our programs. Simple lethargy in carrying out the existing CDSS/ABS review process may let some country program strategies become unwittingly outmoded.

Several of these factors contributed in each case to the special assessments being carried out (or about to be carried out) in Haiti, the Sudan and Liberia.

Recognition of the need for a special country program reassessment may come from several sources - from growing concern by the Mission Director himself or his Regional Assistant Administrator; from field visits by the Administrator or other senior A.I.D. officials; from Congressional criticism; and so forth. However, I see little likelihood that an independent, centrally operated Country Program Management Appraisal system is likely to provide greater insight as to when special assess-

ments are needed than the present on-going arrangements for program responsibility.

Thus, the decision on the need for and the methods for conducting special program assessments should be with the regional Assistant Administrators, although the need for such assessments may be identified from outside the regional bureau. Obviously the rationale for undertaking a special assessment, as well as the results which come out of that process, must be shared with the Administrator and other appropriate senior staff. And while the organization of such assessments and action taken as a result of them should rest with the regional bureaus, they should consult with appropriate central bureaus and invite participation by them.

D. Assessments as an Evaluation Technique

We need to improve cross-fertilization within the Agency, to provide program managers with better information on what works and what fails in the development process. The evaluation program does much of this, particularly the Impact Evaluations and those evaluations which look at success and failure across country lines on a sectoral or sub-sectoral basis. Efforts at preparing sector strategies and guidance based on real experience serve a major evaluative/programming purpose. I have suggested to the Inspector General how critical audit issues could be more widely circulated to help mission managers avoid similar problems in the future.

Similarly, the assessment of the effectiveness of a country program as a whole can be a valuable evaluation technique. In the case of Portugal, cited earlier, an assessment has been proposed not simply to know what we have accomplished there, but - given the short term political nature of that program - what lessons we can draw for similar future situations. While no two country situations are the same, and no precise lessons can be learned from experience in one country for application elsewhere, broad experience indicators are useful for programmers of similar future activities.

Since the purpose of such Country Evaluations/ Appraisals would be primarily for learning purposes, PPC/ Evaluation should be the focal point for determining what particular program deserves evaluation and in developing the criteria for such evaluations. However, this must clearly be done in full cooperation with the relevant regional bureau and the regional bureau should be responsible for the conduct of the evaluation. Responsibility for determining the ultimate value of the results and for making them available to other field missions and regional bureaus should rest with PPC/Evaluation.

E. Assessment of the Program Management Effectiveness of Mission Leadership

As the Blue-Kivimae proposal suggests, AID/W should have a clear picture of how effectively missions manage the program process - whether they are properly structured for strategy and program planning as well as implementation;

whether staffing levels are appropriate and Operating Expense budgets adequate but not excessive; whether effective relations with other elements of the Country Team have been developed; whether internal mission communications, reporting and delegations of authority systems are properly in place; and so forth. Equally, the role of central bureaus, functional and management, ought to be fully understood at the field mission level, as well as the expectations of field missions for support from these central bureaus.

Central bureaus can make substantial contributions to the baseline data upon which field management appraisals can be made. The Assistant to the Administrator for Management is developing a series of ratios and norms regarding various aspects of management and administration which can help determine whether, for example, a mission's operating expense budget is out of line. The Inspector General is developing systems and considering others to alert regional bureaus and field staffs of areas of difficulty found during audits so that field managers can avoid management and financial problems identified elsewhere. The sectoral strategies give guidance on where the agency sees its strengths in providing technical programs.

However, for the same reasons as given with respect to program strategy and content, regional bureaus should be responsible for determining whether field missions are working within administrative norms (and if not, why not), have established effective planning and implementation systems, are interfacing effectively with regional bureaus and the like.

While emphasizing regional responsibility, the system can be strengthened. Last year the Agency considered "contractual arrangements" between Assistant Administrators and Mission Directors. If these concepts about contractual arrangements had been carried out, they would have dealt in part with management systems. But any contractual arrangements has meaning only to the extent that it is effectively linked to the program strategy and content being undertaken in a particular country.

I would therefore propose that we move towards a different form of contractual understanding, more broadly conceived than contracts simply between the Assistant Administrator and the Mission Director, related to the framework of the country strategy and program content. The concerns of such a contractual understanding should flow both ways - how does the mission intend going about carrying out agreed upon program strategy and content and what support does it need from regional and central bureaus to do it; how able are the regional and central bureaus to "commit" themselves to the kind of support agreed upon as needed to reach jointly shared objectives.

In a following section I make specific proposals on linking the CDSS/ABS process with a form of contractual understanding between Washington and field missions.

With regard to Mission Director performance, formal systems are already in place for appraisal in many respects -

the Performance Evaluation and Panel review processes; the functions of EPAP; and the day to day oversight of Regional Assistant Administrators. Despite this, there is no question that occasions arise when there is need for a more intensive look at how a mission director is doing his job - complaints from Ambassadors, evident problems of morale, observation on the scene by senior officials may all be indicators of the need for this closer look. Any such appraisal is, however, inevitably delicate and needs sensitive handling. Rather than looking to any formalized system, the undertaking of any such specifically focused assessment should be done on an ad hoc basis, relying on understandings between the Regional Assistant Administrator and the Administrator, with methodology developed on a case by case basis.

#### IV. Proposed Approaches to Country Program Management Assessments

##### A. Overall Approach

Based on the above arguments, I propose that responsibility for Country Program Management Appraisals be clearly placed on the regional bureaus.

The proposed system would be composed of the following elements, details of which are described below:

- A strengthened CDSE process, linked with an Action Plan, aimed at assuring better understanding about what are our country level objectives and how we intend to achieve them.

- A system of periodic country-level program evaluations - Performance Appraisals - to evaluate specifically the development impact of our programs and to provide broader lessons to the agency on successes and failures;

- Recognition of the need for occasional ad hoc appraisals, beyond the two more formal systems indicated above, primarily to deal with problem cases and sometimes to evaluate specialized programs.

B. The CDSS and an Action Plan - Linking Program Strategy and the Means for Carrying it Out

The CDSS process - particularly as it becomes more focused within the concept of regional and agency Strategic Plans - remains the most fundamental means for establishing country level program strategy and content. It could also serve as a prime mechanism for determining how to achieve strategic objectives and for assessing our progress in their achievement. However, the present CDSS process has three major limitations which need to be overcome:

- The time frame of the CDSS is misleading. Covering five years which begin two years from its preparation, there is inadequate linkage between current programs and future strategy.

- Because of its projective nature, there is nothing inherent in the CDSS process which looks deeply at the developmental impact of what we are doing at the country level.

- There is no inherently agreed upon process to determine how to get from here to there - to determine what actions must be taken by AID/W regional, technical and management bureaus and the USAID to assure that the program actions and management style to be employed give promise that the strategy objectives can be met.

To make this process more effective, I would propose the following specific changes:

1. Future instructions on preparation of the CDSS should assure that its discussion serves as a projection of strategy which runs from the time of preparation through the present CDSS time frame. While this means it would cover a longer period than at present, the out-years would be the same as now and the need to tie current programs and their evolution to the longer time period would be firmer.

2. Secondly, there should be an action document covering the CDSS, no longer than five pages, which summarizes the highlights of the CDSS discussion. This summary could address the kind of key issues which are outlined in State 305746 on CDSS preparation. It would be this summary upon which the approval process would concentrate. To do so would require, of course, a thorough understanding of the full body of the CDSS by those involved in the review and approval process. But by distilling the body of the CDSS into a briefer summary, Washington and field would be far clearer than is presently the case on what CDSS approval really means.

3. Third, I would propose that submission of the CDSS be accompanied by a new but related document which could be called an Action Plan. The Action Plan would lay out the key actions needed to be taken by Washington bureaus (regional, functional and management) and by the field mission, over a specific period of time, to assure that the strategy actually gets implemented. I would recommend that the frame be the three years immediately following presentation and approval. Following approval of the CDSS itself, there would then be agency review of the Action Plan. The purpose would be to agree on the effectiveness of the Action Plan. It would also seek, however, to make clear just what roles regional, functional and management offices would have to play to assure the USAID's ability to carry out the Action Plan. Review of the Action Plan should, among other things, assess the mission's proposals on such things as staffing, OE budget requirements, reporting systems and the like against the norms and ratios being developed by the Assistant to the Administrator for Management. It would be expected that the Action Plan would receive formal AID/W approval in the same way as the CDSS Summary document.

While I am well aware that any such Action Plan will be subject to change and that it will be difficult for Washington bureaus to commit themselves to provision of specific inputs (technical services, personnel, specified regional bureau support, etc.) over an extended period of time, developing this form of contractual arrangement permits management better

to assess during the course of its implementation what might have been the source of failure to carry out agreed upon strategy (or what it took to achieve strategy objectives promptly). Equally, no Action Plan can take fully into account changes in policy, development strategy, political development and the like of the Governments with which we work. However, an Action Plan which spells out our assumptions as to what the recipient Government will do, and how this impacts on the Action Plan, helps us evaluate, as we proceed, whether we are doing things the right way.

In order to encompass review and approval of both the CDSS and the Action Plan, the period of Washington review would have to be longer than is now the case. Ordinarily, formal CDSS reviews now take an hour to half a day. Review, acceptance, and approval by all Washington bureaus of the responsibilities outlined in the Action Plan would probably require another few days.

For the most part, we are working on a three year CDSS cycle, although most missions are expected to provide some form of interim presentation even in off-years (and this year all missions are required to make submissions, in accordance with State 305746, covering at least their approach to the new policy initiatives). In the future, I would propose we work on a three year cycle:

- Year Zero - Submission and approval of the CDSS and Action Plan. Even if full approval cannot be given in the first round to the CDSS, it should be possible to give tentative approval to the Action Plan.

- End Year One - Primary concern will be review of the status of the Action Plan, although as in this year's CDSS request it may be desirable to request a substantive submission on certain aspects of the program.

- End Year Two - Emphasis would be devoted to an in-depth review of the Action Plan and status of progress against the CDSS strategy. Its purpose would be to determine whether the objectives set out for the three year period in the Action Plan are going to be met and what needs to be done to adjust program management to bring achievement as close as possible to planned objectives. It would also be the prelude to planning for submission of the next CDSS and Action Plan. It would be most desirable if this second year review could take place in the field, with appropriate representation from the regional bureau and other Washington offices.

- End Year Three - A new CDSS and Action Plan would be submitted. Hopefully, because of the continuity of the process in the three year period, the new CDSS and Action Plan could flow reasonably clearly from ongoing activities.

If the above proposals were introduced in the coming year, many missions which already have approved CDSS' would not be at the beginning of the three year cycle. However, it should be possible to introduce elements of the Action Plan concept even a year or two after the CDSS has been approved, in order to get each mission eventually back on to a three year cycle of CDSS and Action Plan.

C. Periodic Country Assessments to Judge Development Impact - Performance Appraisals

*Carroll's Evaluation*

The CDSS/Action Plan concept suggested above stresses primarily program strategy and content and the agreed upon method for carrying out that program. While this process involves some appreciation of effectiveness in bringing about development change, there is further need to make specific assessments not only on whether we are achieving what we set out to do, but whether these actions are proving meaningful in the economic circumstances of the country. It is perfectly conceivable that we could agree on what looks like a good strategy and we could carry out our programs in accordance with it, only to find that what we are doing is really having only a marginal effect on the real development needs of the country in question.

I would therefore propose that once annually each regional bureau select one country program which will be assessed in further depth than the CDSS/Action Plan process described above. The primary stress of these annual Performance Appraisals would be to make judgments on the true development effect of our ongoing programs and the likelihood, as a consequence, of our longer term CDSS strategies being successful in bringing about the type of economic change which has been projected.

Assessments of development impact will be the most difficult of all evaluations. It is far easier to set future strategy than it is to determine whether we are properly affecting a nation's economy (or those sectors or sub-

sectors in which we are concentrating). Evaluating projects is simpler than assessing a total country program. In reviewing the Blue-Kivimae proposals, several regional bureaus raised serious questions as to whether one could measure development impact within any reasonable time frame.

Yet this is what our business is all about and if we cannot devise more effective ways to know whether what we are doing at the country level is meaningful or not, then we must question our own seriousness.

Responsibility for determining annually which country in their region should be subject to Performance Appraisal should lie with the Regional Assistant Administrator. However, since these appraisals ought to be viewed as evaluative devices, intended to give broad guidance to agency managers on what works and what does not, the Administrator and other senior agency officials should approve the Regional Assistant Administrators' selection of country programs to be appraised.

Equally, responsibility for organizing the Appraisal effort should lie with the Regional Assistant Administrators, again in cooperation with such other elements of the agency as are appropriate. This would include the scope of work for the Appraisal, selection of the Appraisal team, guidance to the team in its approach, and oversight of the process of reviewing and finally approving the reports coming out of the Appraisal.

The results of these Performance Appraisals should be made available to the Administrator and other senior officials,

and might also receive wide circulation in the agency in the same way that many other evaluation studies are so circulated.

The composition of the Appraisal team should be the responsibility of the Regional Assistant Administrators but might well resemble the kind of team proposed in the Blue-Kivimae report. Thus, a three or four person team would appear appropriate. It should be headed by a senior field officer or a senior Washington official with substantial field experience. If headed by a Washington official, the second person should be an upcoming field officer, and vice versa. Depending on the contents of the program, one or two specialists might be included. Regional bureaus may well find it desirable to bring in an outside expert with country or technical knowledge. While not every member of the team need have specific country experience, at least 50% of the team should. Regional Assistant Administrators might look to persons outside their own bureau to lead an appraisal.

Depending on the complexity of the program being assessed, a Performance Appraisal might take six to nine weeks. There would be an initial period of 2-3 weeks of review of the Bureau's proposed scope of work, review of program documentation and baseline data, discussions with State and A.I.D., and finalization by the Appraisal Team of the Scope of Work. This would be followed by 2-3 weeks of field work, including if appropriate discussions with other donor groups involved in the country. While a sensitive issue, discussions with host

government officials should be a part of these Appraisals whenever possible. Finally, 2-3 weeks would be needed for report preparation, review and final approval.

The selection of programs to be appraised each year should be based on a number of factors. A program for which an approved CDSS has existed for some time provides a sounder data base than one where the CDSS process is less far along. A program potentially in trouble for which there is a need to look at alternative approaches is a logical case for appraisal. A program involving innovative new approaches, particularly if related to the Agency's key new priorities, might well be subject to appraisal. In these terms, the Africa Bureau might select Liberia for review of appropriate strategy; in a year or two Latin America might wish to assess how we are doing in Haiti since major program changes were introduced; Asia might look at Sri Lanka given a fairly consistent program approach there; the Near East Bureau might wish to assess Egypt to give further backing to new mission leadership.

These Performance Appraisals can add a significant work load to the agency. Senior regional bureau staff will be involved in the selection of programs to be assessed and in the preparation of scopes of work, team selection and briefing, and review of the results. Field missions will clearly be under a severe increase in work load. There will be demands

(if relatively short term) on those key officials involved in actual assessments. However, by proposing that each regional bureau undertake only one such Performance Appraisal per year I believe the burden can be minimized. Requiring regional bureaus and field missions to think in terms of what is really being achieved can make that additional burden worth while.

D. Other Ad Hoc Appraisals

As indicated earlier, there may also be other occasions for ad hoc appraisals, although the combination of the CDSS/ Action Plan/and Performance Appraisal system should minimize those needs. However, even with the highest expectations from this proposed system, problem cases will arise requiring special assessments. The responsibility for such ad hoc assessments, as earlier suggested, should remain with the regional bureau but may arise from the initiative of others.

Similarly, there may be occasions when an appraisal should be undertaken for broad evaluative purposes. The proposed Portugal evaluation is a case in point. PPC/Evaluation should be responsible for raising with regional bureaus their recommendations on such evaluative appraisals. Based on these recommendations regional bureaus might wish to build the particular situations into their annual Performance Appraisal plans or might wish to undertake ad hoc evaluations.