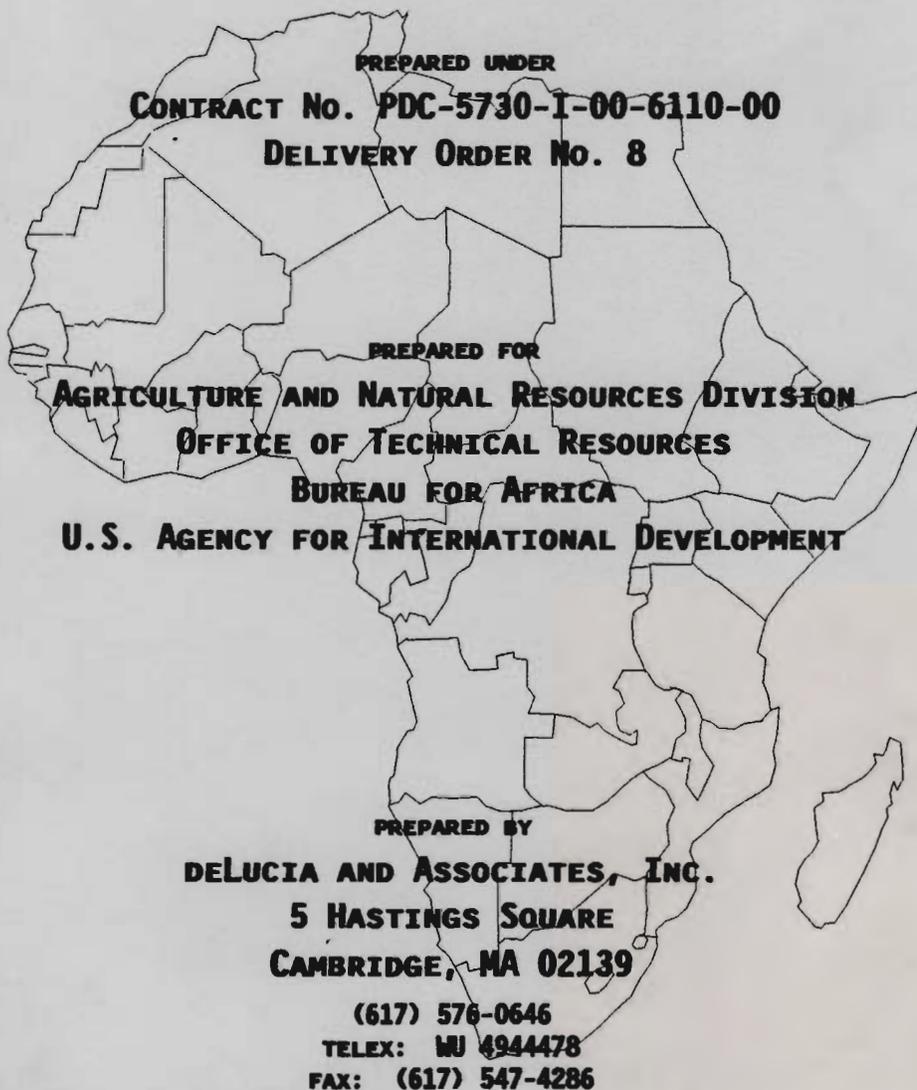


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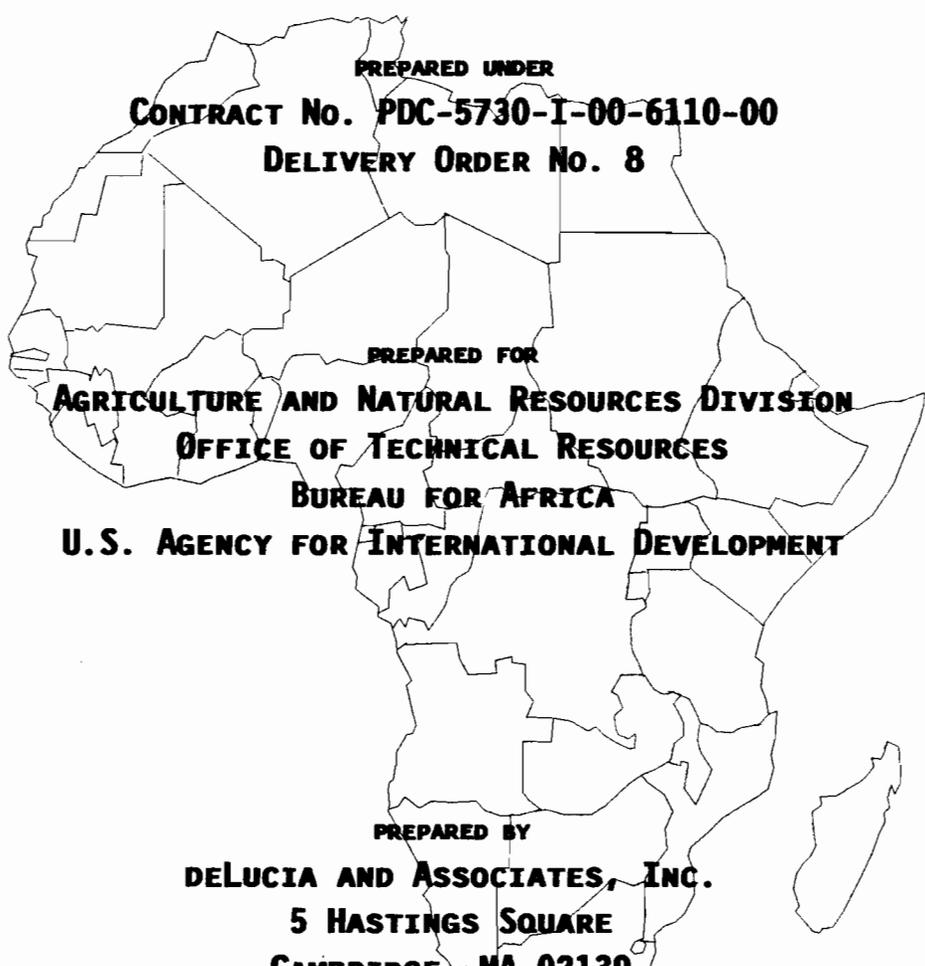
**REGIONAL TECHNICAL-ASSISTANCE PROJECTS IN AFRICA -
LESSONS TO BE LEARNED FROM EVALUATION
OF ENERGY INITIATIVES IN AFRICA**



SEPTEMBER 1988

2

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2

REGIONAL TECHNICAL-ASSISTANCE PROJECTS IN AFRICA -
LESSONS TO BE LEARNED FROM EVALUATION OF ENERGY INITIATIVES FOR AFRICA

INTRODUCTION

The evaluation of the Energy Initiatives for Africa (EIA) project presents a unique opportunity for A.I.D. to gain from that experience in its management of the Natural Resource Management Support (NRMS) project and other regional projects that involve large amounts of technical assistance (TA). In particular, the lessons learned from the evaluation of the EIA project should be helpful in avoiding some managerial pitfalls, both administrative and technical, that seriously detracted from the success of many aspects of that project.

The EIA project was a regional project with a mixture of technical assistance supplied to USAID missions, host governments and to international agencies in two ways:

- by providing funds to support subprojects that supplied long-term technical assistance designed to have impact on national problems and national policy; and
- by financing ad hoc short-term technical assistance that was provided, usually at mission request, under contract.

While funds for the subprojects were supplied by EIA and were not part of a mission's regular operating budget, the subprojects nevertheless were mission projects, managed by the mission, and were implemented either by local (or regional) institutions supported by grant funds, or by expatriate (i.e., U.S.) contractors. The short-term TA was provided under a long-term contract with a U.S. firm that established and maintained two field offices for this purpose in Africa, one in

Nairobi and one in Abidjan. While this particular vehicle for supplying short-term TA may not be duplicated in future regional projects, several important issues regarding the management of such regional projects with large amounts of TA were identified during the EIA evaluation. These issues concerned conditions that detracted significantly from the value of several aspects of the EIA project, and were examined in some detail in the report of that evaluation. In view of their importance, however, A.I.D. felt that a separate examination of them and of their implications regarding the management of NRMS and of future regional technical-assistance projects would be of interest and value not only to the Bureau for Africa but also to A.I.D. management in general.

THE ISSUES

Three major issues were identified in the EIA evaluation:

- Project design - The evaluation report noted first the need to encourage mission involvement in relatively small subprojects by simplifying the approval process and/or easing the administrative managerial burden by passing it to a surrogate (local) organization. Second, it emphasized the desirability of incorporating the flexibility needed to take into account imminent changes in A.I.D. policy that may seriously affect the project.
- Management - The EIA project illustrated the need for alternative project and subproject management and technical-support mechanisms that would allocate responsibility within A.I.D. on a functional rather than a

geographical basis. Furthermore, it demonstrated the need for financial control to evaluate cost effectiveness of technical assistance, for in-house technical expertise in order to maintain quality control over the technical aspect of the TA, and for the quality control needed for all parties to feel secure about the professional quality of technical documents produced under the project.

- Evaluation and redesign - The evolution of the EIA project demonstrates the need to perform - and not to avoid - midterm evaluations that are designed into a project and, above all, the need for expert, objective, independent input into both evaluation and redesign.

PROJECT DESIGN

A. The Subproject Bureaucratic Burden - The evaluation of the EIA project pointed up the perennial problem with A.I.D.'s system of dealing with small ("low-volume") projects, even in countries where the mission's portfolio is relatively small in dollar amounts. A.I.D. missions are limited in staff, and the administrative burden of a small project (\$200,000 or \$500,000) is often seen to be as great as for a project involving \$5,000,000. To be sure, A.I.D. does not always discourage small projects - many USAID professionals thoroughly appreciate the beneficial impact that some small, well designed capital or technical-assistance projects can offer. With few exceptions, however, the safeguards required to be imposed on the way U.S. funds are spent make little distinction between \$200,000 projects and \$10,000,000 projects. The issue then becomes how to reduce the burden on the

mission while still maintaining the required administrative controls.

Part of the problem is in the design and approval process needed to arrive at a subproject that is funded and ready for implementation, and part is the administrative burden associated with implementation.

To the extent feasible, A.I.D. should design complex specialized-focus projects that involve low-volume subprojects to include procedures in the design that are aimed at minimizing the bureaucratic processes for subproject approval and implementation.

While this is a problem endemic to A.I.D., there are some alternatives to be considered in project design. Three major ways have been suggested to smooth this process:

- approval of generic subproject types as part of project approval, including prescribed budget ranges within which actual subprojects would not need subsequent approval;
- approval of a simplified subproject-approval process including delegation of approval authority to project (and technical) managers as part of the project approval - this simplified process to be valid for any subproject within defined budget and level-of-effort limitations; and
- offloading the subproject administration to an existing (local) institution and accepting this institution's current approval system (with or without modifications) as part of the project approval. This would have the effect of easing the Mission's administrative managerial burden, which, in common with the design and approval process, often does not diminish with the size of the project. This approach was followed in three of the EIA subprojects, which were funded by grants to either

local institutions (Kenya and Cote d'Ivoire) or a regional organization (ECOWAS).

B. Flexibility Needed to Deal with A.I.D. Policy Changes -

The EIA project had its origins in 1980, when international oil prices were high and A.I.D.'s policy emphasized the importance of energy as a development issue - including both energy planning/management and renewable-energy sources and technologies. In January, 1981 the Project Identification Document (PID) was approved, and the project design was begun. Toward the end of that year, however, a major shift occurred in A.I.D.'s policy, particularly with regard to its view of the role of energy in development assistance, that presaged significant cuts in funds available for energy projects (Section 106 funds). The project design proceeded, nevertheless, and the Project Paper (PP) was approved in April, 1982, with no recognition that the planned funding might not be available during the life of the project. As a consequence of the funding cutback that eventually occurred in the FY84 budget, the EIA project underwent a major restructuring that saw its character change significantly from that envisaged in the PP. In fact the full-field technical-assistance team was not put in place until one month before the end of FY83, when the shape of the FY84 budget must have been known. This sequence of events suggests that many of the ensuing difficulties in the EIA project could have been foreseen, and in some cases must have been known.

A.I.D.'s top management should plan each year's development-assistance program with a realistic assessment of the domestic (U.S.) political climate and budgetary environment before committing the Agency to such long-term regional projects.

7

When faced with a political climate where significant policy shifts are being contemplated - or are a certainty, as they were in FY82 - A.I.D. should see to it that projects are designed with appropriate built-in flexibility so as to avoid, where feasible, major mid-stream restructuring resulting from policy changes. At the very least, project implementation should be organized with this in mind. This is especially important in regional projects, where there is no Project Agreement with a host government that commits A.I.D. to some continuity in project conditions. The EIA project suffered from the shifting political climate here at home, with its budget cuts in categories that should have been anticipated. In the face of uncertainties, flexibility can and should be built into contracting arrangements and project implementation plans and schedules.

PROJECT MANAGEMENT

A. Technical Expertise - Technical-assistance projects that involve specialized fields - such as energy, health, education, agriculture, natural-resource management - are in particular need of technical supervision. Frequently, these skills do not exist among the direct-hire staffs or personal-services contract staffs in overseas missions. Furthermore, they often do not exist in regional offices that are given the responsibility of managing regional projects that involve such specialized areas. The EIA project was typical of such a regional project. Although the record shows involvement of persons with experience in energy-related activities, in most (if not all) cases these people were not direct-hire A.I.D. staff but were contract

8

personnel. Furthermore even they had no formal role, neither authority nor responsibility, in project management or supervision. Management without such an integral role being played by technical experts sooner or later will lead to inadequate supervision of the contractor's technical judgement. Not surprisingly, this was the case with the EIA project.

Projects concerned with specialized issues such as energy (or health, education, nutrition, agriculture, environment, natural resources, remote sensing, or whatever) should be managed by an A.I.D. office with in-house expertise in that field. It is imperative that the management of such technical projects should provide for expert technical staff members to have direct programmatic authority and responsibility, even if they are shared with a "generalist" program manager.

The issue of how to structure that management and the amount of technical supervision needed is, of course, dependent on the particular project, but the principle of technical supervision is ignored at the risk of seriously compromising the professional level and quality of the technical assistance provided. It is particularly important in the case of natural-resource management, which is so vital to the success of a policy of sustainable development. Indeed, it means a re-examination of the organizational structure our development assistance.

A.I.D. must look at approaches that differ significantly from its customary practice of assigning management responsibility on a geographical (regional-bureau) basis rather than on a functional basis.

For some projects, a blend of geographic and functional-group based management may be appropriate. As the EIA Evaluation Report

noted, this recommended shift to functional management may mean that A.I.D. must make more use of its existing cooperative agreements with specialized U.S. government agencies to acquire the needed expertise for management assistance, or perhaps seek new agreements as needed. Absent an agency-wide reorganization along functional rather than geographical lines, functional management of technical projects may also mean that necessary arrangements are needed with other bureaus within A.I.D. (regional, S&T) that may have employees with the needed skills.

This discussion comes at a time when serious consideration within the development community is being given to a suggested reorganization of A.I.D. along functional lines rather than the current geographic organization, for many reasons, including those outlined in this document and the EIA Evaluation Report. If the recommendations in this discussion, which are designed to overcome a generic problem illustrated by the EIA project, are followed, they would not only help the Africa Bureau ameliorate - or even solve - the problem, they would also put it in the position of having anticipated a functional reorganization, should it eventually be instituted.

B. Management Venue - During the evaluation of the EIA project, it appeared to the team that the management from Washington was inadequate in some important aspects, particularly since much of the technical expertise resided in the REDSOs, which had no role in project management. It is true that the REDSOs avoided managerial responsibility as a matter of policy, in view of their budgetary and personnel limitations. Nevertheless, some provision should be made, in budget and staffing patterns, to permit the REDSOs to assume a more

direct role in management of regional projects in Africa. The desirability of having the management venue determined by project needs rather than administrative convenience was one of the lessons to be learned from the EIA evaluation.

As a general rule, regional projects in Africa should not be managed from Washington. Whenever feasible, A.I.D. should manage the projects from the field, provided that adequate technical input is part of the management. If, on the other hand, the expertise should reside in Washington, A.I.D. should make available the necessary funds and staff for adequate management from Washington.

In this regard, A.I.D. might consider the practices of the World Bank, the Asian Development Bank, and other private and public institutions whose management procedures allow technical, programmatic, and financial project management from institutional headquarters, where the expertise happens to reside. This does require, however, the willingness to make adequate staff time and travel funds available.

C. Financial Control - Central to judging the effectiveness of regional projects whose primary purpose is providing technical assistance, such as EIA or NRMS, is an analysis of the cost effectiveness of that technical assistance.

A.I.D. should institute and maintain well designed financial-control procedures enabling cost-effectiveness analyses to be performed.

Where projects focus on the delivery of technical assistance, the analysis and awareness of the cost effectiveness of different ways of providing that technical assistance should facilitate the allocation of project resources to those ways and those activities that will produce the greater beneficial impact from the resources available.

This issue is particularly important in regional projects that provide an option for the provision of technical assistance. In the EIA project, for example, the TA was provided by two separate methods:

- long-term TA, supplemented with small amounts of short-term TA, was provided under the subprojects, outside of the contract;
- short-term TA was provided, under the contract, from contractor-run field offices.

It would have been particularly instructive, therefore, for A.I.D. to have been able to judge the cost effectiveness of the two methods used under this project. Unfortunately, the absence of the financial breakdowns needed for the analysis of the short-term TA prevented the EIA Evaluation Report from dealing with this issue adequately. Furthermore, as far as can be ascertained, the information was never requested by A.I.D. management. It is imperative that this opportunity not be missed in the NRMS project or other future regional project.

The cost effectiveness of providing technical assistance provided from contractors' field offices should be realistically weighed against that provided by in-house capability in the REDSOs and against the technical assistance provided by bilateral (mission-managed) projects (or subprojects). This analysis requires, first and foremost, clear numerical and financial measures of the personnel, technical assistance, and other inputs to specific activities. Furthermore, it requires some qualitative and quantitative estimate of the impact from such assistance.

This recommendation must, of course, take into account the role of the REDSOs vis-a-vis their budgetary and personnel limitations. Furthermore, it assumes that the required technical expertise resides in

the REDSOs (as it often has). The EIA Evaluation Report points out the obvious difficulties involved in separating operating budgets and project costs when staffs are co-mingled and an office does not have a management system designed to support such a mix of project and operating roles. Nevertheless, the need to be able to examine the cost effectiveness of technical assistance remains crucial because of the need to make decisions regarding the allocation of limited A.I.D. funds between regional TA and bilateral, mission-managed projects.

Involved in the analysis is the question of direct and indirect beneficiaries of the assistance provided. In the case of bilateral projects with long-term advisors who function by establishing long-term working relationships with counterparts, the benefits are both direct and indirect - direct in terms of the counterparts, and indirect in terms of long-term impacts on the organization, others who benefit after the termination of the project, and (as in the case of the EIA Liberia subproject) national policy. Short-term TA, on the other hand, is generally characterized by the indirect benefits accrued by the host country as a result of the reports, documents, or other work left behind by short-term consultants. (It has been pointed out that some short-term TA has significant indirect benefits to the extent that it is instrumental in "leveraging" other development-assistance funds and activities.)

D. Quality Control - Most technical assistance involves site-specific advice and analysis. EIA, on the other hand, also involved a large number of reports, handbooks, workbooks, and field manuals, most of which were intended for general dissemination, at least

throughout Africa. As far as can be ascertained, of the dozens of documents produced, only one received any kind of peer review. Although significant project resources were expended to prepare this written material, A.I.D. is now faced with a large number of technical publications bearing the name of the EIA project, for whose technical quality it cannot vouch. This is not to say that the quality of all these documents is substandard, but without any professional review, who is to say? Furthermore, A.I.D. has no complete library of all the reports, handbooks, manuscripts, and other documents produced under the EIA contract.

Any regional (or bilateral) project that supports and utilizes reports, manuscripts, course material, field manuals, workbooks, etc., as a mechanism for technical assistance and/or information sharing must include a process whereby this material receives independent professional review (and revision as needed) prior to dissemination. A.I.D. should maintain a hard-copy library of all such documents produced, including the drafts submitted for review, the comments, and the final documents.

Professional review is important to insure the professional quality of the written material produced with project funds, and thus the value to be gained by disseminating that material. A library of the documents (not just a microfiche collection) makes the information immediately and relatively easily available to others subsequent to project completion.

EVALUATION AND REDESIGN

The EIA project suffered from two major omissions from A.I.D.'s customary procedures. First, the midterm evaluation that was provided

for in the PP was never performed, and the project record is devoid of reasons for this omission. This meant that neither A.I.D. nor the evaluating team had the benefit of any objective analysis of the project from its inception to the PACD. Second, less than six months after establishment of the second field office, A.I.D. set in motion a process that resulted in a complete redesign of the project. This entire process was completed without the benefit of any disinterested expert advice either from within the agency or from outside experts.

A. Evaluation - The failure to conduct a midterm evaluation left all parties concerned with no coherent basis on which to decide what changes were needed during the life of the project. It left the evaluation team with no synthesis of project activities before the redesign, except for the contractor's general, and often misleading and incomplete, quarterly and annual reports. Finally, it left no basis for understanding the role that project activities may have played in the dramatic shift in emphasis that occurred during the redesign.

Midterm evaluations should be an absolute requirement for any project of four-years' duration or more. Exceptions should be made only in extenuating circumstances and should be documented.

The failure to leave a written record of any discussion that may have taken place on this issue can lead only to speculation. It should not be tolerated in the future.

B. Redesign - The EIA project was a large, complex, multi-year regional project whose original design contained many items that would undoubtedly have been changed upon further reflection. The redesign that it underwent, however, drastically changed its nature from

13

its original emphasis on subprojects to a concentration, almost exclusively, on short-term technical assistance supplied by the contractor. The redesign may indeed have been justified from everyone's point of view - the agency's, the contractor's, the countries involved, and the policy of the U.S. government - but no-one will ever know. Not a single person without a vested managerial, professional, personal, or financial interest in the outcome was asked to participate in the redesign exercise.

Under no circumstances should A.I.D. permit a large project to undergo redesign, by whatever name, without seeking competent, disinterested, outside advice.

This advice can be sought from professionals (either agency staff or outside consultants) with no connection to the project.

CONCLUSION

Like most development-assistance projects, EIA was a mixture of successes, disappointments, and failures. Until infallibility characterizes development assistance, this will be the conclusion drawn about the majority of projects A.I.D., and all development-assistance agencies mount. All have developed procedures for designing and approving projects. Examination of EIA has shown the need for certain flexibilities in project design and approval, and more importantly the dangers of ignoring established procedures when embarking on redesign.

All development-assistance agencies have established management procedures to monitor the way funds are spent. Examination

of EIA has shown the need for more rational approaches to technical supervisory responsibilities and to financial control of expenditure categories.

Most have devised evaluation procedures designed to improve their performance, with their expressed goal being the improvement in the lives of the majority of the world's population, which happens to live in the developing countries. A.I.D. has established such an evaluation process, and examination of EIA has shown the results of bypassing that process when a midterm evaluation seems inconvenient. Furthermore, it is really not clear how well the lessons to be taught from A.I.D.'s many project evaluations have actually affected the design and implementation of subsequent projects. There is no doubt that A.I.D. professionals have duties and responsibilities the discharge of which is not conducive to careful reading of the many, often voluminous evaluation reports that find their way into "In" boxes. In that respect, the EIA Evaluation Report is likely to receive no different a reception from A.I.D.'s busy staff. Thus, it is the hope of the Bureau for Africa, and of the EIA evaluation team, that this separate treatment of the lessons to be learned from the evaluation of the Energy Initiatives in Africa project will be found useful.