

POLICY BRIEF: MONITORING & EVALUATION FOR RESULTS

THE ROLE OF M&E IN U.S. FOREIGN ASSISTANCE REFORM

DRAFT FOR COMMENT

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I. INTRODUCTION

International development, as determined by the U.S. Government, is one of the three principal pillars of U.S. foreign policy, along with defense and diplomacy. The goal of U.S. foreign assistance¹ is to further America's foreign policy interests in expanding market economies and democratic polities while improving the lives of those in the developing world.² President Obama and Secretary of State Hillary Clinton have repeatedly underscored a commitment to reform and invest in U.S. development assistance, pointing to its central importance to U.S. national security and America's global leadership. President Obama's civilian-side foreign affairs budget request for 2010 increased by 11% from previous years, reflecting the new administration's commitment to rebuild America's foreign affairs capability.

With increasingly complex and interconnected global challenges, and the creation of specialized offices and agencies across the U.S. government, delivery of U.S. foreign assistance is now a tangled web that spreads across at least 50 different objectives, 20 government agencies and 50 offices.³ The U.S. Agency for International Development (USAID)—which has traditionally led U.S. foreign assistance efforts—administers less than half of U.S. foreign aid while the share administered by the Department of Defense (DOD), for example, has grown from 3.5 percent in 1998 to 18 percent in 2006.⁴ Calls for reform of foreign assistance have come from many sources in academia, think tanks, foundations, the international NGO community, and current and former USG officials, including former USAID Administrators. Reform proposals stress the need for increased investment alongside more coherence, transparency, accountability and learning from experience to improve U.S. assistance.⁵

Monitoring and Evaluation in U.S. Foreign Assistance Reform

Critical to a more effective and efficient U.S. foreign assistance strategy is a robust monitoring and evaluation system that assesses intermediate outcomes and ultimately impact of foreign assistance programs, helps agency leaders better target foreign aid, and contributes to improved U.S. assistance investments globally. Current monitoring and evaluation of most U.S. foreign assistance is uneven across agencies, focuses on outputs rather than outcomes and impact, lacks sufficient rigor, and does not produce the necessary analysis to inform strategic decision making.

Effective monitoring and evaluation can serve multiple stakeholders—from host country citizens and institutions to U.S. decision makers in the field and in Washington. But effective utilization of evaluation results does not come without effort. No matter how rigorous or relevant, a completed report is just the first step in a process of dissemination, discussion, and debate. To achieve more

¹ This brief is based on “Beyond Success Stories: Monitoring and Evaluation for Foreign Assistance Results” , May 2009, by the same authors. In these reports, we focus on foreign assistance managed by civilian USG agencies—the Department of State, the U.S. Agency for International Development, and the Millennium Challenge Corporation. We have excluded PEPFAR programs because it is a somewhat unique program and outside of our experience.

² www.usaid.gov

³ Brookings-CSIS Taskforce, “Transforming Foreign Assistance for the 21st Century, Executive Recommendations,” (June 2008)

⁴ Oxfam America, “Smart Development: Why U.S. Foreign Aid Demands Major Reform,” February, 2008.

⁵ See <foreignassistancereform.wikispaces.com> for a Center for Strategic and International Studies compilation of a bibliography on foreign assistance reform.

effective foreign assistance, U.S. leadership must create a ‘learning culture’ which values knowledge, and accepts the reality that not all programs will be successful or should be sustained.

Effective U.S. foreign assistance rests upon the ability to carefully analyze and carry out assistance programs that address the key problems for a particular location, to monitor the implementation of that assistance, and to rigorously evaluate the results. Knowledge-driven management of U.S. foreign assistance spending reinforces the efficient use of resources, strengthens program effectiveness in order to have the greatest impact on people’s lives, and therefore, expands our ability to meet our foreign policy and security objectives.

II. CURRENT PRACTICE: CRITICAL CHALLENGES

This brief takes a unique perspective on the present status of monitoring and evaluation efforts as practiced in the principal civilian agencies that provide foreign assistance—USAID, the Millennium Challenge Corporation (MCC), and the Department of State—and makes recommendations for a monitoring and evaluation system within a learning culture. Findings derive from literature review, interviews with senior USG officials and survey responses from ‘external evaluators’—individuals who conduct evaluations of U.S. foreign assistance programs, either as part of consulting firms, non-governmental organizations (NGOs), or as individual consultants. External evaluators were chosen because: 1) the authors are external evaluators themselves with prior USAID and State experience; 2) in recent years, the majority of evaluations completed of USG foreign assistance programs have been contracted out to external evaluation experts; and 3) evaluators are hired to reflect on whether foreign assistance efforts were effective and why. This gives them a unique perspective. The work of the Center for Global Development and the HELP Commission also make significant contributions to this discussion.

Key Findings - Monitoring

The role of monitoring is to determine the extent to which the expected outputs or outcomes of a program or activity are being achieved. When done well, monitoring can be invaluable to project implementers and managers to make mid-course corrections to maximize project impact. While monitoring requirements and practice vary across U.S. agencies and departments, the following broad themes emerged from our research;

- The role of monitoring in the USG foreign assistance community has changed dramatically in the last 15 years. The role of USG staff has shifted to primarily monitoring contractors and grantees. Because this distances USG staff from implementation of programs, it has resulted in the loss of dialogue, debate and learning within agencies.
- The myriad of foreign assistance objectives requires a multiplicity of indicators. This has led to onerous reporting requirements that try to cover all bases.
- There is an over reliance on quantitative indicators and outputs of deliverables over which the project implementers have control (such as number of people trained) rather than

qualitative indicators and outcomes, expected changes in attitudes, knowledge, and behaviors.

- There is no standard guidance for monitoring foreign assistance programs—the requirements at MCC are very different from those at DOS and USAID. Some implementing agencies and offices have no guidance or standard procedures.

Key Findings – Evaluation

There is also great diversity in the evaluation policies and practices across USG agencies administering foreign assistance. MCC has designed a very robust impact evaluation system for its country compacts, but these evaluations have yet to be completed. The Education and Cultural Affairs Bureau at the State Department has well respected evaluation efforts, but there is limited evaluation work in other bureaus and offices in the Department. USAID has a long and rich evaluation history but neglect and lack of investment, as well as recent foreign assistance reform efforts, have stymied those functions. The following themes emerged in our study:

The decision to evaluate: when, why and funding:

- The requirements on the decision to evaluate vary across U.S. agencies. There is no policy or systematic guidance for what should be evaluated and why. More than three quarters of Survey respondents emphasized the need to make evaluation a requirement and routine part of the foreign assistance programming cycle.
- Evaluators rarely have the benefit of good baseline data for U.S. foreign assistance projects which makes it difficult to conduct rigorous outcome and impact evaluations that can attribute changes to the project's investments.
- While agencies require monitoring and evaluation plans as part of grantee contracts, insufficient funds are set aside for M&E, as partners are pressured to spend limited money on “non-programmatic” costs.

Executing an evaluation:

- Scopes of work for evaluation often reflect a mismatch between evaluation questions that must be answered and methodology, budget and timeframe given for an evaluation.
- Because of limited budget and time, the majority of respondents felt that evaluations were not sufficiently rigorous to provide credible evidence for impact or sustainability.

Impact and utilization of evaluation:

- Training on M&E is limited across USG agencies. Program planning, monitoring and evaluation are not included in standard training for State Department Foreign Service Officers or senior managers, a particular challenge when FSOs and Ambassadors become the in-country decision makers on foreign assistance programs.

- Evaluations do not contribute to agency-wide or interagency knowledge. If “learning” takes place, it is largely confined to the immediate operational unit that commissioned the evaluation rather than contributing to a larger body of knowledge on effective policies and programs.
- Two thirds of external evaluators polled agreed or strongly agreed that USAID cares more about success stories than careful evaluation.
- Bureaucratic incentives do not support rigorous evaluation or use of findings – with the possible exception of MCC which supports evaluation but does not yet have a track record on use of findings.
- Evaluation reports are often too long or technical to be accessible to policymakers and agency leaders with limited time.

III. POLICY RECOMMENDATIONS

The call to modernize U.S. foreign assistance sets the stage for the necessary reform of the structures, policies and processes that govern monitoring and evaluation in the U.S. foreign assistance community. The organizations responsible for implementing our foreign assistance efforts must be able to manage well, learn from experience, and be broadly transparent and accountable for results to the U.S. Congress and the American people. This requires a transformation in values, practices and organizational capacities of all USG agencies responsible for implementing foreign assistance programs.

Create a Center for Monitoring and Evaluation

A more robust M&E and learning culture for foreign assistance results will not occur without the commitment of USG interagency leadership and authoritative guidance. Whether or not calls to consolidate agencies and offices disbursing foreign assistance are heeded, the most efficient and effective way to accomplish this learning transformation would be to establish an independent Center for Monitoring and Evaluation (CME), reporting to the Office of the Secretary of State or the Deputy Secretary of State for Management and Resources. The Center would be placed within the Secretary or Deputy Secretary’s Office to ensure M&E efforts become a central feature of foreign assistance decision-making.

The CME would support the development of effective monitoring and evaluation systems and practices in all USG agencies responsible for foreign assistance, while undertaking policy relevant comparative evaluations on major programs that involve multiple USG agencies. The Center would reinforce a ‘learning culture’ for U.S. foreign assistance and demonstrate that USG leadership values the importance of good monitoring and evaluation, as well as the time, financial, and human resource requirements necessary for improving the effectiveness of U.S. foreign assistance investments. A “center” of competence, expertise, and experience could also inculcate values, provide guidance, and insure high quality work from all implementing agencies.

The Director of CME must have the status, political support and bureaucratic independence to ensure high-level interagency access and to represent the M&E agenda to other senior policy makers. If a new Foreign Assistance Authorization Act is passed by the U.S. Congress, the CME would benefit from explicit statutory authority outlining its independence, authorities and reporting responsibilities.

Responsibilities – Center for M&E

Learning and reporting

- Design a streamlined monitoring system with a better balance between learning and accountability. Allocate sufficient resources and expertise to meeting monitoring requirements or scale back the requirements.
- Develop a comprehensive annual evaluation agenda and overall M&E budget request for all foreign assistance agencies. In addition to senior agency and department managers, external stakeholders including the Congress and NGOs should be consulted to identify priority evaluation topics.
- Report annually to the Executive Branch and the US Congress on foreign assistance agencies' principle findings, conclusions and recommendations.
- Conduct interagency meta- and multi-country evaluations for best practices and lessons learned to apply to future programming. Meta evaluations should be carried out in partnership with host governments and other donors.
- Develop programs to facilitate dissemination of evaluation conclusions, and to promote organizational learning and knowledge management by foreign assistance agencies.

M&E capacity building

- Develop a minimal degree of M&E common standards and requirements across agencies that provide foreign assistance, recognizing that agencies will need a transition period to meet those standards.
- Develop career incentives and personnel policies to create and support a learning culture throughout each agency.
- Mentor and support agencies in their collection and use of M&E information, program reviews and managers' evaluations.
- Introduce results management into training of all staff that will have a role in managing foreign assistance. This includes State Foreign Service Officers and partners from agencies such as the Department of Justice and U.S. Department of Agriculture.
- Provide leadership in building host country capacity to monitor and evaluate their own development.

Creating an independent center would be the best foundation for stronger monitoring and evaluation and therefore, greater foreign assistance results. Without the authority to set and enforce uniform standards for M&E practices, recent history has shown that implementing agencies will not produce the kind of systematic and useful products that are possible and necessary. Given the demonstrated tendency to spend as little on monitoring and evaluation as possible, these vital functions will continue to be treated as ad hoc, poorly planned and executed functions, if done at all. Strengthening monitoring, evaluation and results without a center is possible, and clearly necessary, but much less likely.

IV. CONCLUSION

As the Obama Administration invests in foreign assistance and reforms to create a more effective and efficient USG foreign assistance structure, monitoring and evaluation should play a central role. A robust M&E Center, that is supported by senior policymakers and managers, would promote evidence-based results for American dollars.

An effective M&E capacity will make management of foreign assistance “smarter,” and will be a critical component of a successful foreign assistance reform package. Knowledge-driven planning and decision-making maximizes impact and systematic M&E supports a culture of transparency and learning from experience. As overdue efforts move forward to transform U.S. foreign assistance for the 21st Century, it is time to revitalize the monitoring and evaluation function, demonstrating USG commitment to policies and programs based on demonstrated results.