



USAID
FROM THE AMERICAN PEOPLE

ADS Chapter 203

Assessing and Learning

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**Functional Series 200 – Programming Policy
ADS 203 – Assessing and Learning**

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ADS 203 – Performance Monitoring and Evaluation

*203.1 OVERVIEW

Effective Date: 09/01/2008

*USAID as an Agency plans and implements Assistance Objectives (AOs) that are expected to improve the development status of selected countries and regions around the world. (See [ADS 201](#) and [202](#)). This chapter provides guidance for USAID Operating Units – USAID Missions, Regional Platforms, and Washington Bureaus and Offices, henceforth referred to as USAID Mission/Offices, on Agency practices and standards used to determine how well AOs are achieving their intended results. It describes:

- 1) How AO Teams collect and use both quantitative and qualitative performance information to manage for and report on results;
- 2) How to use the tools of performance monitoring and of evaluation to promote learning and strengthen future performance in achieving intended development results;
- 3) How processes such as Portfolio Reviews and preparation of the annual joint U.S. Government (USG) Operational Plan (OP) and the annual joint USG Performance Report assess AOs and contribute to performance analysis and learning at the Bureau and Agency levels;
- 4) How to understand the factors that may be limiting progress made in achieving targeted results and the kinds of actions needed to optimize the achievement of targeted results; and
- 5) How USAID should facilitate the sharing of lessons learned within the Agency, with other USG foreign affairs organizations, and throughout the development community as a whole.

*The key concept throughout this chapter is that USAID Missions/Offices can only assess the impact of an AO if they have previously defined the results that the AO is intended to achieve, how the various proposed outputs should work together to achieve the desired results, and how these outputs and results will be measured.

*203.2 PRIMARY RESPONSIBILITIES

Effective Date: 09/01/2008

*For specific responsibilities of various USAID Missions, Regional Platforms, and Washington Bureaus and Offices, see [ADS 200.2](#).

***203.3 POLICY DIRECTIVES AND REQUIRED PROCEDURES**

Effective Date: 09/01/2008

***203.3.1 Mandatory and Non-Mandatory Guidance**

Effective Date: 09/01/2008

*This chapter describes both mandatory and non-mandatory procedures and practices. Mandatory procedures are identified with use of the words “must,” “required,” or other clear designation. They are mandatory because they deal with USAID’s policies and processes, or are required by law, regulation, Executive Order, or binding agreement. In some cases, the underlying law, regulation, Executive Order, or binding agreement will include provision for exceptions, waivers, and national interest determinations and these provisions must be followed. Please consult with the Office of the General Counsel (GC) or with the Regional Legal Advisor (RLA) if there is doubt about whether a provision is mandatory and the process, if any, for exceptional treatment.

The non-mandatory procedures described in this chapter are intended to increase consistency and predictability of operations. Non-mandatory procedures are identified with use of the words “should,” “recommended,” “may,” or other clear designation. Although USAID Missions/Offices should generally follow these procedures, they may choose to allow exemptions or adapt them to particular situations, especially when such exemptions promote core values, and guiding principles, and increase cost-efficiency. USAID Missions/Offices do not have to document exemptions from non-mandatory procedures.

Note: To alert readers, the word “MANDATORY” will often appear at the start of a paragraph. The paragraph itself may contain a combination of mandatory and non-mandatory language, as signaled by the words listed above.

The text details special exemptions from some mandatory procedures. Assistant Administrators have authority to approve, as necessary, additional exemptions from the mandatory procedures beyond those exemptions specifically mentioned in this chapter. Approval for any such additional exemptions must be obtained in writing from the Assistant Administrator of the responsible Bureau and must be written as an action memorandum cleared by, the Office of the Chief Operating Officer (COO), and the Management Bureau/Office of Management Policy, Budget and Performance (M/MPBP) before approval.

Special Exemptions: Certain programs are exempted from the mandatory procedures described in this chapter, including (1) emergency disaster assistance such as that under the International Disaster Assistance (IDA) account and (2) emergency food aid authorized under Title II of the Agricultural Trade Development and Assistance Act of 1954, as amended (Pub.L. 480).

***203.3.2 Performance Management**

Effective Date: 09/01/2008

*The Government Performance and Results Act (GPRA) of 1993 establishes requirements for strategic planning and performance measurement for all USG agencies. USAID Missions/Offices may be audited for their compliance with USAID policies on performance management as described in [ADS 592](#).

*Accordingly, USAID Missions/Offices and their AO Teams are responsible for measuring progress towards the results identified in the planning stage to achieve foreign assistance objectives. The concept of performance management encompasses the tools used for assessing, learning, and sharing. As defined in [ADS 200.6](#):

Performance management is the systematic process of monitoring the achievements of program operations; collecting and analyzing performance information to track progress toward planned results; using performance information and evaluations to influence AO decision-making and resource allocation; and communicating results achieved, or not attained, to advance organizational learning and tell the Agency's story.

*Performance management represents the Agency's commitment to managing AOs for results in order to achieve the best possible development outcomes.

*It is important to understand the difference between performance monitoring and evaluation, as these tools perform different functions:

- Performance monitoring reveals whether desired results are occurring and whether AO outcomes are on track. It addresses the "what" of performance. Performance monitoring uses preselected indicators to measure progress toward planned results at every level of the Results Framework continuously throughout the life of an AO.
- Evaluation answers the "why" or "why not" of performance, as well as the "what else" question. It is used on a periodic basis to identify the reasons for success or lack of it, to assess effects and impacts, or to indicate which, among a range of program or project/activity alternatives, is the most efficient and effective. It may also be used to draw lessons for future interventions. Evaluation typically employs a range of quantitative and qualitative measures in addition to preselected indicators and may consider both planned and unplanned results. Evaluation also provides an opportunity to reexamine the Development Hypothesis of the AO (as well as its underlying assumptions) and to make adjustments to ongoing programs based on new evidence.

***203.3.2.1 The Performance Management Process**

Effective Date: 09/01/2008

*The four principal steps in performance management are:

a. Establishing a performance management framework. As an AO Team develops its Results Framework (see the mandatory requirement in [ADS 201.3.8.3](#)), it must identify the hierarchy of results that it intends to achieve over the long term. Concurrently, the AO Team must plan how it will monitor and evaluate progress toward those results. This includes:

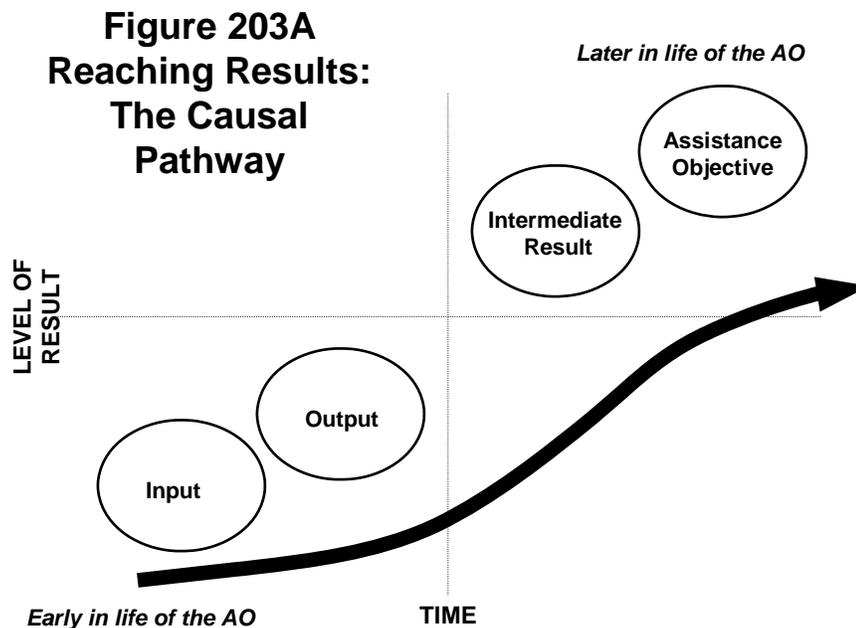
- Selecting performance indicators;
- Planning for evaluation and special studies that will be used to measure progress over time and to understand any obstacles impeding progress;
- Defining the program/project starting point (by establishing a performance baseline) and the change in the situation that will signal success (by identifying performance targets for each year of the project);
- Identifying the data collection methods that will be used, the frequency of data collection, and the responsibility for data collection, compilation, analysis, and data quality assessments; and
- Deciding how data will be used for decision-making on how to improve performance, resource allocation, and communication of the USAID Mission/Office's story.

b. Collecting and analyzing performance information to track progress toward planned results. Performance information can come from a variety of sources — for example, partner progress reports, periodic evaluations, or special studies conducted by the host government, other donors, or USAID itself. The AO Team should regularly collect, analyze, and interpret the data in order to enhance its ability to make program/project adjustments in a timely manner.

c. Using performance information to influence AO decision-making and resource allocation. USAID Missions/Offices usually have varying information needs for decision-making depending on the implementation stage of an AO. The evolving levels of performance information over the life-cycle of a program are shown graphically in Figure 203A, “Reaching Results: The Causal Pathway.” The basis for decision-making by AO Teams will vary according to the implementation stage of a program. Early in the implementation of an AO, AO Teams are likely to base their decisions largely on input and output data. As implementation proceeds and outputs become more substantial, AO Teams will still need to consider the input and output data sources, but will also focus their program

management decisions more on whether intended results are being achieved. Therefore, AO Teams will need information that measures progress at the AO level. (See [ADS 201.3.8.2, Development Hypothesis](#) and [ADS 201.3.8.3, Results Framework](#)). This information will come both from monitoring and from evaluation data. (For definitions of input, output, outcome, and impact, see [ADS 200.6](#).) While activities and projects are expected to produce the measurable change represented by outcomes, it is likely to take the combined efforts of several projects to produce sustainable impact at the AO level.

d. Communicating results achieved or not achieved, to advance organizational learning and demonstrate the Agency's contribution to achieving the overall USG foreign assistance goal. Communication allows a USAID Mission/Office to tell its story to its various stakeholders and partners, including the host government. For example, sharing performance information with local partners and customers can help mobilize the knowledge and experience of key stakeholders and identify ways to improve results. Communication includes submitting reports—such as project evaluations, the yearly Operational Plan or the Performance Report—which facilitate learning within the Agency and other concerned USG agencies. Communication is also a powerful element of performance management.



***203.3.2.2 Key Principles for Effective Performance Management**

Effective Date: 09/01/2008

*To implement performance management effectively, USAID Missions/Offices and their AO Teams should demonstrate a broad commitment to key principles and practices that foster a performance-oriented culture. USAID's credibility is enhanced when its AO Teams employ the following principles and practices as a regular part of their performance management efforts:

- a. Plan early for performance management.** AO Teams should plan for performance management while developing a new AO. Starting early is critical because assembling the various elements of the system takes time. For example, when working on a preliminary Performance Management Plan (PMP), some Missions/Offices may discover that data to measure performance is inadequate or unavailable. They may need to establish new plans to collect data that are adequate and available.
- b. Make decisions on the basis of performance data.** USAID Missions/Offices should use performance information to assess progress in achieving results and to make management decisions on improving performance. Such mid-course corrections should also be supported through ongoing self-review and reflection, through such standard methods as After Action Reviews.
- c. Seek participation.** USAID Missions/Offices and AO Teams can strengthen performance management by involving customers, partners, stakeholders, and other USAID and USG entities in the following performance management steps:
 - (1) Developing PMPs;
 - (2) Collecting, interpreting, and sharing performance monitoring information and experience;
 - (3) Jointly defining a critical set of performance indicators;
 - (4) Jointly reviewing evaluation results;
 - (5) Jointly planning for dissemination of evaluation results;
 - (6) Integrating USAID performance management efforts with similar processes of partners; and
 - (7) Assisting partners to develop their own performance management and evaluation capacity.

Needs for host country or local organization capacity building in this area should be identified at the beginning of a project and adequate funds budgeted.

d. Streamline the process. AO Teams should only collect and report on the information that is most directly useful for performance management. More information is not necessarily better because it markedly increases the management burden and cost to collect and analyze. Where possible, AO Teams should also align their performance information needs with those of their host country counterparts, other donors, and implementing partners. This should lessen the overall data collection burden and help to promote aid effectiveness. AO Teams should ensure that data collection and reporting requirements are included in acquisition and assistance instruments, and that partner reporting schedules provide information at the appropriate times for Agency reporting.

e. Be transparent. USAID Missions/Offices should share information widely and report candidly. Transparency involves (1) communicating any limitations in data quality so that achievements can be honestly assessed; (2) conveying clearly and accurately the problems that impede progress and steps that are being taken to address them; and (3) avoiding the appearance of claiming results achieved jointly with the host country or other development partners as solely USAID or USG results.

***203.3.2.3 Budgeting for Performance Management**

Effective Date: 09/01/2008

*USAID Missions/Offices should include sufficient funding and personnel resources for performance management work, including funds for capacity improvement in host country or local organization partners, in their budgets. Experience has shown that 5 to 10 percent of total program resources should be allocated for this purpose.

*Efforts should also be made to keep the performance management system cost-effective. USAID data collection requirements should be integrated in performance management activities and work plans of implementing partners. Integrating USAID and partner efforts reduces the burden on USAID and ensures that partner activities and USAID plans are well-aligned.

*If anticipated costs appear prohibitive, AO Teams should consider:

- Revising the data sources and/or collection method for performance indicators, or selecting other performance indicators for which data collection may be less expensive; or
- Modifying the relevant outcome and/or intermediate result statements and corresponding indicators so that progress can be judged at more reasonable costs. (See [ADS 201.3.8.2](#) for a discussion of Results Frameworks, their components, and their relationship to the Foreign Assistance Framework and its Standardized Program Structure);

In some situations, expensive technical analyses or studies, such as the Demographic and Health Surveys (DHS), are vital to managing performance and are important ingredients of the development activity itself. Where possible, these studies should be coordinated with partners and other donors to ensure cost-sharing.

***203.3.3 Performance Management Plans**

Effective Date: 09/01/2008

***MANDATORY.** AO Teams must prepare a complete Performance Management Plan (PMP) for each AO for which they are responsible.

*The purpose of this requirement is to establish indicators that will provide accurate baseline data on the initial program or project/activity conditions. As the project unfolds, the AO Team can measure the degree of change. While a solicitation instrument may include a preliminary PMP, once the award is executed the project staff must complete the PMP, with relevant indicators and baseline data, within the first few months and before major project implementation actions get underway.

*As defined in [ADS 200.6](#), a **Performance Management Plan** is

A tool to plan and manage the process of monitoring, evaluating, and reporting progress towards achieving an AO.

***203.3.3.1 Contents of a Complete Performance Management Plan**

Effective Date: 09/01/2008

*A PMP should meet the following criteria:

a. State the full set of performance indicators that the AO Team will use to assess AO progress over its life-cycle. The PMP should justify briefly why each performance indicator was selected. "Full set" means that one or more indicators are selected for each result in the Results Framework. The indicators should be chosen with care so that a minimum number of indicators accurately reflect the performance of the result they are intended to track. The set should include any relevant indicator from the *List of Standard Indicators* <http://inside.usaid.gov/A/F/plan.html> [Note: this document is only available on the intranet. Please contact ads@usaid.gov if you need a copy.] for the annual Performance Report or for other required USAID reporting, such as the Performance and Accountability Report (PAR) or the Program Assessment Rating Tool (PART).

For more information on how to select performance indicators, see **203.3.4**.

b. Provide baseline values and targeted values for each performance indicator included in the PMP. For more information on setting performance baselines and targets, see **203.3.4.5**.

c. Disaggregate performance indicators by sex wherever possible.

d. Specify the source of the data and the method for data collection.

The description of data collection should be operationally specific enough to enable an objective observer to understand how the raw data are collected, compiled, analyzed, and reported. A specific USAID Office, team, or individual should be assigned the responsibility of ensuring that the data are acquired by USAID in time to feed into decision-making and preparation of the annual Performance Report. Data collection methods should be consistent and comparable over time, and any changes should be documented in the PMP. Data collection requirements that could be incorporated into projects and obligation agreements with partner organizations should be identified. AO Teams must ensure that all data used to report performance to Washington meet data quality standards. (See f of this section.)

e. Specify the schedule for data collection. Identify what actual time period the data cover, when data will be collected, and a person at USAID who is responsible for the collection and analysis of raw data. Note that whenever possible, data should be collected and reported on U.S. fiscal year basis. For further information on this requirement, see **203.3.8.2**.

f. Describe known data limitations of each performance indicator by discussing any data quality limitations and steps to be taken to address them. AO Teams must ensure that all data used to report performance to Washington meet USAID data quality standards. Data reported to Washington for Government Performance and Results Act (GPRA) reporting purposes or for reporting externally on Agency performance must have had a data quality assessment at some time within the three years before submission. For more information on data quality issues, see **203.3.5**.

g. Describe the data quality assessment procedures that will be used to verify and validate the measured values of actual performance of all the performance information. For information on conducting data quality assessments, see **203.3.5.3**.

h. Estimate the costs of collecting, analyzing, and reporting performance data, and plan how these will be financed.

i. Identify possible evaluation efforts to complement the performance monitoring effort and identify circumstances requiring other special studies. In addition, discuss plans for monitoring critical assumptions and contextual indicators that affect the Results Framework and plans for evaluating the development hypothesis.

j. Include a calendar of performance management tasks that an AO Team will conduct over the expected life of the AO; the calendar should contain an illustrative timeline for the completion of each task. Typical performance management tasks are to:

- Review partner reports;
- Conduct Portfolio Reviews;
- Assess data quality (See **203.3.5**);
- Revise the PMP as needed;
- Prepare the annual Performance Report; and
- Design and conduct evaluations as needed.

203.3.3.2 Format of a Complete PMP

Effective Date: 01/31/2003

There is no standard format for PMPs. USAID Missions/Offices should use a format that best fits their management and communication needs. In most cases, a complete PMP does not exceed 25 pages, and appendices or AO Team files can be used to store any additional information. The following resources provide tools and examples:

- The Additional Help document, [TIPS Number 7, Preparing a PMP](#).
- The Additional Help document, **Performance Management Toolkit** provides a step-by-step methodology for developing PMPs, and also provides ready to use worksheets that cover a range of management and communication needs.

203.3.4 Selecting Performance Indicators for PMPs

Effective Date: 01/31/2003

MANDATORY. USAID Missions/Offices must include performance indicators in their PMPs. As defined in [ADS 200.6](#), a **performance indicator** is

A particular characteristic or dimension used to measure intended changes defined by a Results Framework. Performance indicators are used to observe progress and to measure actual results compared to expected results. Performance indicators help answer how or if a USAID Mission/Office or AO Team is progressing towards its objective(s), rather than why such progress is or is not being made. Performance indicators may measure performance at any level of a Results Framework.

*203.3.4.1 Types of Performance Indicators

Effective Date: 09/01/2008

a. Quantitative and qualitative indicators. Performance indicators may be quantitative or qualitative. AO Teams should select performance indicators for the PMP that are the most appropriate for the result being measured. For example, the result “non-traditional exports increased” could be measured using the *quantitative* indicator, “dollar value of cut-flowers exported.” The result “advocacy by civil society organizations improved” could be measured with a purely *qualitative* approach, such as using a panel of experts to assess performance by examining a set of previously agreed characteristics of “advocacy.” In most cases, however, qualitative results can be effectively measured by methods that quantify progress and mitigate subjectivity. Major types of indicators that quantify qualitative results are described below. For more information about the “Characteristics of Good Performance Indicators,” see **203.3.4.2**. USAID Missions/Offices should be aware that changes to the questions, scoring, or other procedures of qualitative indicators will decrease their comparability over time. The following examples show the difference between a purely qualitative indicator and qualitative measures that have been quantified:

- **Milestone Indicator:** A type of indicator that measures progress towards a desired outcome by dividing the progress into a series of defined steps. An example of a milestone indicator could come from a policy reform activity, where the first critical milestone may be passage of a law; a second, the establishment of an oversight agency; and a third, the equitable implementation of the policy. Milestones may be used in conjunction with other types of indicators to measure progress towards a result. For additional examples, see the Additional Help document, [TIPS 14, Monitoring the Policy Reform Process](#). If a milestone plan will be used, the PMP should provide a clear definition of each step or milestone; criteria for assessing whether the step or the milestone has been achieved; and an expected timeline for when each step will be achieved.
- **Rating Scale:** A measurement device that quantifies a range of subjective responses on a single issue or single dimension of an issue. One example of a rating scale is when survey respondents are asked to provide a quantified response (such as 1 to 5) to a survey question. If AO Teams use rating scales, the PMP should provide a clear definition of how the rating scale will be implemented and how respondents should rank their answers.
- **Index:** A type of indicator that combines two or more data sources into a single measure. Indices can be useful ways to represent multiple dimensions of progress if they have been carefully developed and tested,

but the final index value may be difficult to interpret and year-on-year changes may be minimal. Examples of commonly reported indices include couple years of protection (CYP) in population programs, the Corruption Perceptions Index, the Index of Economic Freedom, and the AIDS Program Effort Index (API). For additional examples, see the Additional Help documents, [TIPS 15, Measuring Institutional Capacity](#) and [TIPS 15 Annex, Measuring Institutional Capacity \(Annexes\)](#). If an AO Team develops its own index, the methodology and procedures for data collections and interpretation must be included in the PMP.

***b. Contextual indicators.** Contextual indicators measure the environment within which each AO is implemented, at the outcome or impact level. Examples include a country's gross domestic product (GDP), inflation, and HIV seroprevalence rates, which are usually beyond the management control of an AO Team. USAID Mission/Offices may use contextual indicators in their PMPs to illustrate and track the development environment of a country, sector, or AO, not to describe the effects or impacts of USAID activities. For reporting at the Functional Objective and Program Area levels, USAID maintains a list of indicators collected through third party sources. The trend data for these indicators is accessible through USAID's Economic and Social Database.

***c. "Standard" and "custom" indicators.** These indicators, used in the annual joint State/USAID Operational Plans and Performance Reports, are discussed in **203.3.8.3**. USAID Missions/Offices are encouraged to use standard indicators to the extent they are useful for performance management purposes.

***203.3.4.2 Characteristics of Good Performance Indicators**

Effective Date: 09/01/2008

*When choosing performance indicators, AO Teams should consider questions for each result and year of the AO, such as:

- What will be different as a result of these USAID projects and activities?
- How will we be able to recognize the desired difference?
- What will be different at the end of the current year?

AO Teams should also remember that performance indicators merely "indicate" how an AO is performing and do not necessarily tell the full story. Just because one indicator shows strong performance does not always mean the entire AO is on track. The intended AO should drive the selection of indicators, not the other way around.

When selecting PMP performance indicators, AO Teams should use the seven criteria below (abbreviated OPUDATA). It may be difficult or unrealistic to select performance indicators that meet all criteria. AO Teams should be aware of the tradeoffs between the

criteria and should use the PMP to document the limitations of an indicator and the rationale for selecting the indicator. Note that these criteria apply to both quantitative and qualitative performance indicators. For an explanation of qualitative and quantitative custom performance indicators, see **203.3.4.1**.

- a. Objective.** Performance indicators should be unambiguous about what is being measured. Performance indicators should be unidimensional (should measure only one aspect at a time). Performance indicators should also be precisely defined in the PMP. If an indicator is expressed as a proportion or percentage, for example, what is included in the numerator and the denominator should be stated precisely, in addition to the indicator name or label. To ensure that indicators (especially qualitative indicators) are comparable over time, USAID Missions/Offices should clearly define and document the indicators to permit regular, systematic, and relatively objective judgment regarding their change in value or status.
- b. Practical.** USAID Missions/Offices should select performance indicators for which data can be obtained at reasonable cost and in a reasonable time.
- c. Useful for management.** Performance indicators selected for inclusion in the PMP should be useful for the relevant level of decision-making. Where possible, it is efficient to use standard indicators from State/F's *List of Standard Indicators* to do double-duty for country-level program management as well as for program reporting to Washington.
- d. Direct.** Performance indicators should closely track the results they are intended to measure. If a direct indicator cannot be used because of cost or other factors, a **proxy indicator** (an indirect measure of the result that is related by one or more assumptions) may be used to measure the result. (For example, a proxy measure of household income might be the number of TV antennas or tin roofs in a given geographical area; the assumption is that an increase in household income will be associated with increased expenditure on televisions or tin roofing.) If USAID Missions/Offices use proxy indicators, the assumptions supporting the selection of the proxy should be documented in the PMP and confirmed on a regular basis.
- e. Attributable to USAID/USG efforts.** Performance indicators selected for inclusion in the PMP should measure changes that are clearly and reasonably attributable to USAID (or USG, as appropriate) efforts. In the context of performance indicators and reporting, attribution exists when the outputs of USAID-financed activities have a logical and causal effect on the result(s) being measured by a given performance indicator. One way to assess attribution is to ask, "If there had been no USAID project or activity, would the measured change have been different?" If the answer is "no," then there likely is an attribution issue, and the AO Team should look for a more suitable performance indicator. If more than one agency or government is involved in achieving a result, USAID

Missions/Offices should describe exactly what role each played in achieving the result.

f. Timely. Performance indicators should be available when they are needed to make decisions. Experience suggests that the information needed for managing activities and projects (tracking inputs and outputs) should be available on a quarterly basis. Results-level indicators may not be available more frequently than once a year. Data that are available after a delay of a year or more may be difficult to use. For information on reporting performance on the USG fiscal year versus calendar year, see **203.3.8.2**. If a performance indicator is not available every year (such as data from the Demographic and Health Survey), the schedule should be noted as a data limitation. The USAID Mission/Office should also select other performance indicators, direct or proxy, which reflect AO performance and are available more regularly. For more information about proxy indicators, see section (a) above.

g. Adequate. AO Teams should have as many indicators in their PMP as are necessary and cost effective for results management and reporting purposes. In most cases, two or three indicators per result should be sufficient to assess performance. In the rare instance, when a result is narrowly defined, a single indicator may be adequate. Additionally, too many indicators may be worse than too few, because all performance indicators require resources and effort to collect, analyze, report, and use.

Additional Help Resources. A worksheet based on these criteria is available in the Additional Help document, **Performance Management Toolkit, Worksheet 5**. For information on selecting performance indicators, see the Additional Help document, [TIPS Number 6, Selecting Performance Indicators](#).

***203.3.4.3 Reflecting Gender Considerations in Performance Indicators**

Effective Date: 09/01/2008

Men and women have different access to development programs and are affected differently by USAID activities. USAID seeks to understand these differences to improve the efficiency and overall impact of its programs and to ensure that both women and men have equitable access to development activities and their benefits.

One way to understand the effect of gender on development efforts is to disaggregate performance information by sex. Because disaggregating performance data by sex is not always feasible or cost effective, the following requirement ensures due consideration in assessing the relationship between gender and development efforts.

***MANDATORY.** Performance management systems and evaluations at the AO and project or activity levels must include gender-sensitive indicators and sex-disaggregated data when the technical analyses supporting the AO, project, or activity to be undertaken demonstrate that:

- The activities or their anticipated results involve or affect women and men differently; and
- If so, this difference would be an important factor in managing for sustainable program impact.

*In cases where the people targeted by the activity cannot be easily identified, AO Teams should use performance indicators that may assess gender impact indirectly.

*USAID Missions/Offices and AO Teams should be aware that their AOs, projects, or activities may have significantly different effects on different social groups, and should ensure that neither women nor men are disproportionately affected either positively or negatively. For example, in a region where 8 of 10 farmers are women and there are certain social norms governing social relations between the sexes, the AO Team should weigh the benefits of using male versus female agricultural extension agents. A program might disproportionately address women's access to education in situations where they have been historically disadvantaged. Similarly, policy changes often affect men and women differently, and AO Teams should look for unexpected effects that may need to be addressed. When gender technical expertise is not present in a USAID Mission/Office, technical assistance is available from the Office of Women in Development in the Bureau for Economic Growth, Agriculture, and Trade (EGAT).

***203.3.4.4 Additional Reporting Requirements**

Effective Date: 09/01/2008

*Washington may have additional reporting requirements for some USAID Missions/Offices. Such requirements will be communicated through formal channels, such as the annual guidance for the joint Operational Plan and the joint Performance Report.

***203.3.4.5 Setting Performance Baselines and Targets**

Effective Date: 09/01/2008

For each indicator in a PMP, the AO Team should include performance baselines and set performance targets that are ambitious, but can realistically be achieved within the stated timeframe and with the available resources. As defined in [ADS 200.6](#), a **performance baseline** is:

The value of a performance indicator before the implementation of USAID-supported projects or activities that contribute to the achievement of the relevant result.

Baseline values should be measured using the same data collection source and method that will be used to collect actual performance data. If baseline data cannot be collected until later in the course of an AO, the AO Team should document when and how the baseline data will be collected.

As defined in [ADS 200.6](#), a **performance target** is the:

Specific, planned level of result to be achieved within an explicit timeframe.

*AO Teams should set targets for the end of the AO time period and may set targets for the interim years in between. (Yearly targets are generally required for the standard indicators selected for the annual joint Operational Plan and the joint Performance Report).

Targets should be ambitious, but achievable given USAID (and other donor) inputs. AO Teams should be willing to be held accountable for achieving their targets. On the other hand, targets that are set too low are also not useful for management and reporting purposes. AO Teams should plan ahead for the analysis and interpretation of actual performance data against the performance targets.

203.3.4.6 Updating PMPs

Effective Date: 01/31/2003

Usually, as part of the USAID Mission/Office's Annual Portfolio Review process, AO Teams should update PMPs regularly with new performance information as AOs develop and evolve.

***203.3.4.7 Changing Performance Indicators**

Effective Date: 09/01/2008

*During project implementation, AO Teams may change or drop PMP performance indicators if the indicators prove to be unsuitable, for example, if the effort and cost needed to collect them become excessive. Indicators may also be added as more insights are learned about project dynamics during implementation and more appropriate indicators are identified. AO Teams should note that changing performance indicators frequently reduces the comparability of performance data over time and weakens performance management and reporting efforts. This is a particularly critical issue for indicators at the AO or outcome level.

*It should be clear that the caution about changing indicators refers to indicators for both outputs and successive levels of results at the IR or AO level. As explained in **203.3.2.1** and illustrated in Figure 203A, it is expected that over the life-cycle of a project, different types of indicators will be more informative at different times: in the early stages, output indicators will be the primary source of performance information, while at later stages outcome and impact indicators will be more important. The full set of indicators should be specified at the outset, and even indicators that are subsequently dropped—because they are unsatisfactory or no longer used because their targets have been met—should be retained for reference in PMP records.

Because USAID Missions/Offices generally have the authority to approve changes to PMP performance indicators, AO Teams are responsible for documenting these

*An asterisk indicates that the adjacent material is new or revised.

changes while updating their PMPs. At the project level, the CTO documents and approves changes to the PMP, with appropriate input from AO Team members and project staff. The AO Team should note the reason(s) for the change, along with final values for all old indicators and baseline values for any new indicators.

Exception. USAID Missions/Offices must consult with the Bureau of Global Health before making changes to any HIV/AIDS or malaria program performance indicators. The annual Performance Report guidance may provide additional instructions on indicators that are used for the Agency's Annual Performance Plan and Annual Performance Report or the Congressional Budget Justification.

203.3.5 Data Quality

Effective Date: 01/31/2003

There is always a trade-off between the cost and the quality of data. USAID Missions/Offices and AO Teams should balance these two factors to ensure that the data used are of sufficiently high quality to support the appropriate level of management decisions. Performance data should be as complete and consistent as management needs and resources permit.

203.3.5.1 Data Quality Standards

Effective Date: 01/31/2003

To be useful in managing for results and credible for reporting, USAID Mission/Offices and AO Teams should ensure that the performance data in the PMP for each AO meet five data quality standards (abbreviated VIPRT). In some cases, performance data will not fully meet all five standards, and the known data limitations should be documented.

Note that the same data quality standards cover quantitative and qualitative performance data.

- a. Validity.** Data should clearly and adequately represent the intended result. While proxy data may be used, the AO Team must consider how well the data measure the intended result. Another key issue is whether data reflect a bias such as interviewer bias, unrepresentative sampling, or transcription bias.
- b. Integrity.** Data that are collected, analyzed, and reported should have established mechanisms in place to reduce the possibility that they are intentionally manipulated for political or personal reasons. Data integrity is at greatest risk of being compromised during data collection and analysis.
- c. Precision.** Data should be sufficiently precise to present a fair picture of performance and enable management decision-making at the appropriate levels. One key issue is whether data are at an appropriate level of detail to influence related management decisions. A second key issue is what margin of error (the amount of variation normally expected from a given data collection process) is acceptable given the management decisions likely to be affected. In all cases,

the margin of error should be less than the intended change; if the margin of error is 10 percent and the data show a change of 5 percent, the USAID Mission/Office will have difficulty determining whether the change was due to the USAID activity or due to variation in the data collection process. USAID Missions/Offices should be aware that improving the precision of data usually increases the cost of collection and analysis.

d. Reliability. Data should reflect stable and consistent data collection processes and analysis methods from over time. The key issue is whether different analysts would come to the same conclusions if the data collection and analysis processes were repeated. USAID Missions/Offices should be confident that progress toward performance targets reflects real changes rather than variations in data collection methods. When data collection and analysis methods change, the PMP should be updated.

e. Timeliness. Data should be timely enough to influence management decision-making at the appropriate levels. One key issue is whether the data are available frequently enough to influence the appropriate level of management decisions. A second key issue is whether data are current enough when they become available.

For further discussion, see USAID Information Quality Guidelines and related material on the Information Quality Act in [ADS 578](#) and at www.usaid.gov/about/info_quality.

***203.3.5.2 Purpose of Data Quality Assessments**

Effective Date: 09/01/2008

The purpose of a data quality assessment is to ensure that the USAID Mission/Office and AO Team are aware of the strengths and weaknesses of the data, as determined by applying the five data quality standards provided in **203.3.5.1**, and are aware of the extent to which the data integrity can be trusted to influence management decisions.

***MANDATORY:** Data reported to Washington for Government Performance and Results Act (GPRA) reporting purposes or for reporting externally on Agency performance must have had a data quality assessment at some time within the three years before submission. For more information, see **203.3.8.3**. USAID Missions/Offices may choose to conduct data quality assessments more frequently if needed. USAID Missions/Offices are not required to conduct data quality assessments for data that are not reported to USAID/Washington. Managers are not required to do data quality assessments on all performance indicators that they use. However, managers should be aware of the strengths and weaknesses of all indicators.

***203.3.5.3 Conducting Data Quality Assessments**

Effective Date: 09/01/2008

*USAID Missions/Offices collect data from a variety of sources, some of which are more reliable than others. The rigor of data quality assessments depends on the kind of

source and the level of control that USAID has over the data. For all sources, the process described in **point a** below should be followed. Additional considerations depending on the source of data are discussed in **points b and c** below.

***a. General guidance for USAID Mission/Office data quality assessments.**

- Verify that data are of reasonable quality, based on the five data quality standards provided in **203.3.5.1**. Note that the same data quality standards cover quantitative and qualitative performance data.
- Review data collection, maintenance, and processing procedures to ensure that the procedures are consistently applied and continue to be adequate. Identify areas for improvement if possible.
- Retain documentation of the assessment in the AO Team's performance management files and update the information within three years. Documentation should describe whether the five data quality standards have been met for relevant indicators and can be captured in a memorandum.

b. Quality assessments of data from implementing partners and secondary data sources. When AO Teams conduct assessments of quality of data from secondary sources (including implementing partners, government counterparts, and international agencies), they should focus the data quality assessment on the apparent accuracy and consistency of the data. In many cases, the data are not under USAID control and the USAID Mission/Office, therefore, may not have the right to audit or investigate the quality of data in depth. Ways to conduct the assessment are described below.

- In many cases, AO Teams can compare central office records and the records kept at a field site(s). AO Teams should consider visiting a broad range of sites; the point is to assess whether reports accurately reflect what occurs in the field. Note that requests for proposals for contracts, cooperative agreements, and grants should usually include standards for data quality in the reporting requirements.
- If the secondary data come from periodic reports or service statistics, the AO Team should review the data to ensure that what is being reported is accurate. The AO team can conduct regular meetings with other development partners to gain an appreciation of how accurate the data are and how much credence can be placed in the figures cited. The AO Team can request a briefing on the data collection and analysis procedures, including procedures to reduce error.

- If an AO Team provides technical assistance to a government ministry to improve data collection and analysis, the team may be in a good position to assess the quality of the data.
- The data quality assessment findings should be documented in a memo to the file.

c. Additional considerations for conducting quality assessments of data collected directly by USAID (primary data). When AO Teams collect primary data on their own or through independent entities contracted by USAID for this purpose, the data quality assessment should focus on the written procedures and training for crosschecking data. AO Teams should consult experts in data collection methodology to avoid some of the more common pitfalls.

If an AO team contracts a specific organization to collect data, the team should ensure that the organization has the technical capacity to collect data of appropriate quality, as evidenced by the following:

- Written procedures are in place for data collection;
- Data are collected from year to year using a consistent collection process;
- Data are collected using methods to address and minimize sampling and non-sampling errors;
- Data are collected by qualified personnel and personnel are properly supervised;
- Duplicate data are detected;
- Safeguards are in place to prevent unauthorized changes to the data; and
- Source documents are maintained and readily available.

The AO team should include data quality requirements in any Statement of Work (SOW), Request for Proposal (RFP), or Request for Application (RFA). The AO team should also maintain communication with the implementation partners to spot check that quality assurance mechanisms are being used. (Note that if an AO team procures these services from a centrally managed contract, the central office managing the contract should ensure that the contractor establishes and maintains quality control over its data collection and analysis.)

***203.3.6 Evaluation**
Effective Date: 09/01/2008

*As defined in [ADS 200.6](#)

Evaluation is the systematic collection of information about the characteristics and outcomes of AO, projects, or activities in order to make judgments, improve effectiveness, and/or inform decisions about current and future programming.

*An evaluation is an analytical effort undertaken to answer specific program management questions. It provides a systematic way to gain insights and reach conclusions about the effectiveness of specific activities, validity of a development hypothesis, utility of performance monitoring efforts, factors in the development context that may have an impact on the achievement of results, and the types of actions that need to be taken to improve performance.

*Such insights and conclusions can provide a clearer context within which to interpret other AO information (such as data from performance indicators) and help the AO team manage towards achieving results. Evaluations should be rigorous and they must be submitted to USAID's central document repository (see the Additional Help document, [TIPS Number 11, The Role of Evaluation in USAID](#), the [EvalWeb](#) Web site, and **203.3.12**)

***203.3.6.1 When Is an Evaluation Appropriate?**
Effective Date: 09/01/2008

***MANDATORY:** AO Teams must conduct at least one evaluation aimed at understanding progress or lack thereof and the types of actions that need to be taken to improve performance during the life of each AO as defined by their respective USAID Mission/Office. In the course of implementing an AO, the following situations could serve as triggers for an evaluation:

- A key management decision is required, and there is inadequate information;
- Performance information indicates an unexpected result (positive or negative) that should be explained (such as gender differential results);
- Customer, partner, or other informed feedback suggests that there are implementation problems, unmet needs, or unintended consequences or impacts;
- Issues of sustainability, cost-effectiveness, or relevance arise;
- The validity of Results Framework hypotheses or critical assumptions is questioned, for example due to unanticipated changes in the host country environment; or

- Periodic Portfolio Reviews have identified key questions that need to be answered or that need consensus.

In the absence of the triggers listed above, an AO evaluation should be conducted towards the end of AO implementation to examine the intended and unintended consequences of the program and to document lessons that can be shared throughout the Agency to contribute to development learning and improve future programming.

USAID Missions/Offices should give careful consideration to the potential benefits of conducting final or impact evaluations for all AOs, even if an evaluation has been previously conducted.

Evaluations support USAID's ability to improve the effectiveness of development programming and should normally be conducted for each AO. However, if a USAID Mission or Office is facing exceptional circumstances, it may request an exception from this requirement. Such requests should be submitted to the Office of Management Policy, Budget and Performance's evaluation unit.

***203.3.6.2 Planning Evaluations**

Effective Date: 09/01/2008

*The scope and level of effort of an evaluation should vary according to management information needs and resources available. Evaluations may be conducted by specially contracted external experts, AO team members and other knowledgeable members of a USG Operating Unit, or partner organizations. AO Teams are encouraged to be actively involved in evaluation planning to ensure a useable product. Stakeholders should be consulted to assist in prioritizing the evaluation questions. Evaluations may directly involve ultimate customers in data collection and analysis. Regardless of an evaluation's scope, the planning process should involve the following steps:

- Clarify the evaluation purpose (including what will be evaluated, who wants the information, what they want to know, and how the information will be used);
- State the development hypothesis that underlies the program;
- Identify a small number of key questions and specific issues answerable with empirical evidence;
- Consider asking the Office of the Chief Information Officer, Knowledge Management division and its Knowledge Services Center (formerly USAID Library) to obtain past experience on similar USAID and external evaluation reports. (See the internal web address, <http://inside.usaid.gov/M/OCIO/KM/KSC>. [Note: this document is only available on the intranet. Please contact ads@usaid.gov if you need a copy.] The external web address is <http://library.info.usaid.gov>). Research requests may be sent to the staff at KSC@usaid.gov.

- Select appropriate evaluation methods that reflect the type of evaluation questions, the timeframe of the exercise, and the skill sets of available evaluation team members, as provided in **203.3.6.4**;
- Plan for data collection and analysis, including gender considerations, as provided in **203.3.4.3**;
- Form an evaluation team with the necessary skills and composition; and
- Plan procedures (including schedule, logistics, reporting needs, and budget).

***203.3.6.3 Statement of Work**

Effective Date: 09/01/2008

If an evaluation will be contracted out to an external entity, a statement of work will be needed that provides the framework for the evaluation and communicates the research questions. The Contracting Officer may have to place restrictions on an evaluation contractor's future work. For more information, see the Web site of the USAID Office of Acquisition and Assistance, available at <http://inside.usaid.gov/M/AA> (accessible only within the USAID firewall) or <http://www.usaid.gov/business>, and the Mandatory Reference, [Contract Information Bulletin \(CIB\) 99-17](#).

*A well-written statement of work should:

- Identify the activity, project, or approach to be evaluated;
- Provide a brief background on the development hypothesis and its implementation;
- Identify existing performance information sources, with special attention to monitoring data;
- State the purpose of, audience for, and use of the evaluation;
- Clarify the evaluation question(s);
- Identify the evaluation method(s);
- Specify the deliverable(s) and the timeline;
- Discuss evaluation team composition (one team member should be an evaluation specialist) and participation of customers and partners;
- Cover procedures such as scheduling and logistics;
- Clarify requirements for reporting and dissemination; and

*An asterisk indicates that the adjacent material is new or revised.

- Include a budget.

For more information, see the Additional Help document, [TIPS Number 3, Preparing an Evaluation Scope of Work](#).

***203.3.6.4 Evaluation Methodologies**

Effective Date: 09/01/2008

*There is no standardized methodology for evaluations of USAID programs. The type of evaluation should be determined by the questions to be answered. Depending on the scope, purpose, and key questions of the evaluation, the design and the types of methodology used may be relatively simple or more complex. Before settling on any particular method, evaluators should determine the extent and quality of existing data sources and potential biases. For example, the objectivity of an implementing partner evaluating its own activities should be taken into consideration.

*Methods of data collection include:

- Group interviews.
- Focus groups, as described in the Additional Help document, [TIPS Number 10, Conducting Focus Group Interviews](#).
- Surveys.
- Key informant interviews, as described in the Additional Help document, [TIPS Number 2, Conducting Key Informant Interviews](#).
- Direct observation techniques, as described in the Additional Help document, [TIPS Number 4, Using Direct Observation Techniques](#).
- Rapid appraisal techniques. Rapid appraisal type evaluations can be conducted during short periods of a week or two and can provide very timely, inexpensive information sufficient for many management needs. Rapid appraisals employ such data collection techniques as group interviews, focus group discussions, informal surveys, direct observation, key information interviews, and participatory appraisal methods. For more information, see the Additional Help document, [TIPS Number 5, Using Rapid Appraisal Methods](#).
- Participatory appraisal methods, which may be used to engage ultimate customers directly in the evaluation process. For more information, see the Additional Help document, [TIPS Number 1, Conducting a Participatory Evaluation](#).

*These methods will generate qualitative and/or quantitative data that require specific types of data analyses. USAID Missions/Offices are encouraged to be as rigorous as possible in the evaluation data collection and analysis, regardless of the methodology.

*A number of tasks involved in all evaluations – measuring outcomes, ensuring the consistency and quality of data collected, establishing the causal connection between activities and outcomes, and identifying the influence of extraneous factors – raise technical or logistical problems that may not be easy to resolve. Therefore, when selecting among evaluation methods, USAID Missions/Offices and AO Teams should consider issues such as: the nature of the information, analysis, or feedback needed; cost-effectiveness; cultural considerations; the timeframe of the management need for information; time and resources available; and the level of accuracy required. Such careful consideration will help to minimize unexpected technical or logistical problems.

*If the purpose of the evaluation is to establish the impact of an AO program and if there are sufficient resources (funding, time, and technical expertise), more complex evaluation designs involving randomized techniques—where different population groups receive different services—may be used. Randomization is best established at the beginning of an AO program as it may be difficult to define “pure” control groups after project implementation has begun. Two factors should be considered before embarking on this type of evaluation: (1) the ethical ramifications of the use of such designs, which may involve limiting the provision of services to customers and (2) the need for a particularly high standard of data quality in order to maintain the integrity of the evaluation design.

***203.3.6.5 Participation in Evaluations**

Effective Date: 09/01/2008

*USAID Missions/Offices are strongly encouraged to include customers and partners (implementing partners, alliance partners, host-country government partners, and so forth) in planning and conducting evaluations, and to include USAID staff and other knowledgeable members of a USG Mission/Office directly when conducting evaluations in order to maximize Agency learning. USAID Mission/Offices are strongly encouraged to use more collaborative and participatory approaches to evaluation. (See the Additional Help document, [TIPS Number 11, The Role of Evaluation in USAID](#) to ascertain the strengths and limitations of each type.)

Figure 203B: Types of Evaluations and Who Conducts Them

Type of Evaluation	Conducted By
Internal or Self-Evaluations	USAID AO team or partner implementing the activity being assessed.
External Evaluations	Outside organizations or experts not directly associated with the AO, project, or activity.
Collaborative Evaluations	More than one agency or partner in joint collaboration.
Participatory	Multiple stakeholders. Representatives of customers, partners, sponsoring donor agencies, and other stakeholders participate actively in all phases of the evaluation, including planning, data collection, analysis, reporting, dissemination, and follow-up activities.

203.3.6.6 Documenting Evaluations

Effective Date: 01/31/2003

USAID Missions/Offices should maintain appropriate documentation at the conclusion of any evaluation. The nature of the documentation will vary depending on the formality, importance, scope, and resources committed to the evaluation. At a minimum, documentation should highlight

- Scope and methodology used;
- Important findings (empirical facts collected by evaluators);
- Conclusions (evaluators' interpretations and judgments based on the findings);
- Recommendations (proposed actions for management based on the conclusions); and
- Lessons learned (implications for future designs and for others to incorporate into similar programs in other locations).

Evaluation reports should be readily understood and should identify key points clearly, distinctly, and succinctly. All reports should include an executive summary that presents a concise and accurate statement of the most critical elements of the report.

203.3.6.7 Responding to Evaluation Findings

Effective Date: 01/31/2003

USAID Missions/Offices and AO Teams should address findings and recommendations of evaluations that relate to their specific activities and AOs. To help ensure that

institutional learning takes place, AO Teams should take the following basic steps upon completion of the evaluation:

- Meet with the evaluation team to debrief and discuss results or findings.
- Review the key findings, conclusions, and recommendations systematically.
- Determine whether the team accepts/supports each finding, conclusion, or recommendation.
- Identify any management or program actions needed and assign responsibility and the timeline for completion of each set of actions.
- Determine whether any revision is necessary in the joint country assistance strategy or USAID country strategic plan, AO, or project, using all available information.
- Share and openly discuss evaluation findings, conclusions, and recommendations with relevant customers, partners, other donors, and stakeholders, unless there are unusual and compelling reasons not to do so. In many cases, the USAID Mission/Office should arrange the translation of the executive summary into the local written language.

203.3.6.8 Sharing Evaluations to Enhance Agency Learning

Effective Date: 01/31/2003

MANDATORY. As provided in **203.3.12**, evaluation reports must be provided to the Development Experience Clearinghouse (DEC, dec.usaid.gov), where they will be accessible for use in planning and assessing other programs. If the evaluation was not “finalized,” the USAID Mission/Office should submit the last draft it received. If appropriate and useful, the USAID Mission/Office may also submit the response (if any) of the AO team, USAID Mission/Office, or counterpart agency.

203.3.7 Portfolio Reviews

Effective Date: 01/31/2003

MANDATORY. USAID Missions/Offices must conduct at least one Portfolio Review each year that covers all activities included in their various programs.

As defined in [ADS 200.6](#), a **Portfolio Review** is:

A periodic review of all aspects of a USAID Mission/Office’s AOs, projects, and activities, often held prior to preparing the annual joint Operational Plan.

A Portfolio Review examines strategic and operational issues and determines whether USAID-supported activities are leading to the results outlined in the approved Results