



**USAID**  
FROM THE AMERICAN PEOPLE

Bureau for Policy, Planning and Learning  
BRIEFER

## USAID's EVALUATION POLICY



“In an increasingly complex operating environment, the discipline of development demands a strong practice and use of evaluation as a crucial tool to inform our global development efforts, and to enable us to make hard choices based on the best available evidence.”

- USAID Administrator Rajiv Shah

### ROLE OF THE POLICY

Sets out an ambitious recommitment to learn as we “do,” updating our evaluation standards and practices to address contemporary needs.

### BACKGROUND

The evaluation policy builds on the agency's long and innovative history of evaluation, while seeking to redress a decline in the quantity and quality of evaluation practice within the agency in the recent past. As part of a series of recent reforms known as USAID Forward, the agency is transforming into a learning organization and a modern development enterprise. The policy is an initial step to strengthen USAID's evaluation practice as part of the broader reform efforts.

### WHY EVALUATE?

- **For Accountability:** Measuring project effectiveness, relevance and efficiency, disclosing those findings to stakeholders, and using evaluation findings to inform resource allocation and other decisions.
- **To Learn:** Systematically generating knowledge about the magnitude and determinants of project performance to inform and improve project and strategy design and implementation.

#### Evaluation in Practice

##### *Evaluating Democracy and Governance Effectiveness (EDGE)*

In two highly-regarded cross-national studies, conducted by a team of researchers from the University of Pittsburgh and Vanderbilt University in 2006 and 2007, researchers examined democratic patterns in 165 countries from 1990 to 2005, and found that USAID assistance has a significant, positive impact on democratic development. The studies concluded that in any given year an investment of \$10 million of USAID funding targeted to strengthen democracy and governance produces a five-fold increase in the amount of democratic change then would otherwise be expected.

## TWO TYPES OF EVALUATION AT USAID

- **Performance Evaluation:** Focuses on questions linked to program design or management decisions: i.e., how a project is being implemented, how it is perceived, whether expected results are occurring. Mixed qualitative and quantitative methods are appropriate. Performance Evaluations constitute the majority of evaluations at USAID.
- **Impact Evaluation:** Measures the change in a development outcome that is attributable to a defined intervention. Requires a credible counterfactual, or comparison group, to control for factors other than the intervention that might account for the observed change.

## EVALUATION IS REQUIRED FOR:

- **Large projects:** A set of interventions which are together intended to achieve a defined development result and that equals or exceeds in dollar value the average project size for an Operating Unit.
- **Pilot or Innovative Development Interventions:** Any activity demonstrating new approaches that are anticipated to be expanded in scale or scope.

*Note: The policy does not require evaluations for each USAID project, rather it requires that strategic choices be made for what should and should not be evaluated based on management and learning priorities and with the understanding that a majority of resources under USAID management will be subject to evaluation.*

## USAID EVALUATION PRACTICES

|                                 |  |
|---------------------------------|--|
| Integrated into Design          | <ul style="list-style-type: none"><li>• Evaluation considered during strategic planning and project design.</li><li>• Key evaluation questions are identified at the outset of strategies and projects.</li></ul>                        |
| Minimized Bias                  | <ul style="list-style-type: none"><li>• Evaluation teams must be led by an expert external to USAID and the partner implementing the project that is being evaluated.</li></ul>  |
| Relevant to Future Decisions    | <ul style="list-style-type: none"><li>• Evaluation questions are linked to future decisions.</li><li>• Local partners and stakeholders are consulted during evaluation design, implementation, and interpretation of findings.</li></ul> |
| Based on Best Methods           | <ul style="list-style-type: none"><li>• Methods generate reproducible and high quality evidence.</li><li>• Qualitative and/or quantitative methods applied with rigor.</li></ul>   |
| Reinforcement of Local Capacity | <ul style="list-style-type: none"><li>• Evaluation capacity-building of partner governments and civil society.</li><li>• Use of host country systems and local expertise.</li></ul>  |
| Commitment to Transparency      | <ul style="list-style-type: none"><li>• Findings from evaluations are shared publically, as widely as possible, and in a timely manner.</li></ul>  |
| Dedicated Resources             | <ul style="list-style-type: none"><li>• Evaluation requires dedicating financial and human resources in advance.</li><li>• Goal of approximately 3 percent of a unit's program funds to be set aside for external evaluations</li></ul>  |