

U.S. Trade and Development Agency Monitoring and Evaluation Policy

Mission Statement The U.S. Trade and Development Agency helps companies create U.S. jobs through the export of U.S. goods and services for priority infrastructure projects in emerging economies. USTDA links U.S. businesses to export opportunities by funding project preparation and partnership building activities that develop sustainable infrastructure and foster economic growth in partner countries.

Overview of the Office of Program Monitoring and Evaluation

USTDA's Program Monitoring and Evaluation (M&E) Office is responsible for making meaningful recommendations to strengthen programming and support the Agency's performance. By routinely monitoring the Agency's programs and performing systematic compliance reviews, the M&E Office works to ensure that the Agency's resources are used appropriately. By rigorously evaluating program outcomes, the M&E Office works to understand the impact of these programs for U.S. companies and international partners. Together, these functions work seamlessly to build USTDA's growing body of evidence to inform program design and strategic decision-making. With over 30 years of quantitative and qualitative data on the impact of project preparation efforts, USTDA's M&E Office supports evidence-based program design for infrastructure development in emerging markets.

The M&E Office is also positioned to help hold USTDA and its partners accountable and provide tools to simultaneously strengthen USTDA's impact in the U.S. and in emerging markets. The M&E Office works with the Agency's leadership and regional program teams to use monitoring data and evaluation findings for decisions regarding Agency policies, strategy-setting and planning, program priorities, delivery of services, and budget formulation processes. The M&E Office maintains a proactive and supportive approach toward grant management, oversight and results-tracking, communicating effectively with Agency staff to help make continuous improvements to support more successful outcomes.

Definitions

- **Project** is an infrastructure objective, identified by an overseas sponsor, which will require the importation of goods and services to be constructed or implemented. USTDA's funding is not used for the project; rather, USTDA funds an activity to help a project sponsor advance project implementation.
- **Activity** is funded by USTDA and intended to help promote the export of U.S. goods and services for use in the project. A central part of USTDA's evaluation process and performance

measurements is determining whether and how a USTDA activity led to direct results or outcomes for a specific project.

Program Monitoring and Compliance Standards and Practices

Monitoring is a key pillar in the stewardship of federally funded programs. Monitoring ensures the efficacy of program delivery, compliance with funding requirements, and collection of relevant data to strengthen in-depth evaluation efforts, while simultaneously helping to increase the commercial impact of USTDA programs. USTDA has hundreds of grant activities ongoing at any time. Each activity has its own unique set of opportunities and challenges, and the M&E Office routinely monitors these activities and supports information collection to help program teams determine whether desired results are occurring as expected during activity implementation. The M&E Office reviews final grant deliverables, such as the feasibility study or technical assistance report, to ensure not only that the Agency's funding accomplishes funding goals but also that the work was sufficiently completed in accordance with the terms of the agreements. As standard practice, 100% of final grant program deliverables are reviewed.

The M&E Office provides overarching support to program teams as they conduct information collection. The M&E Office also supports proper fiscal management by the Agency through the tracking and close-out process as fund disbursement deadlines are approaching. The M&E Office is actively engaged in closeouts of grant activities, such as those that were terminated early, and through this process facilitates the sharing of lessons learned and best practices with program teams.

To facilitate monitoring practices and document potential outcomes in anticipation of the development project that will result, project implementation assessments (PIAs) are performed annually by program teams for all ongoing USTDA grant activities.

USTDA's M&E Office ensures that USTDA's taxpayer-provided funding is used as intended and in accordance with the terms and requirements of USTDA's grant funding. USTDA's authorizing legislation enables the Agency to recoup grant funding in instances where the U.S. firm commercially benefits from a USTDA funded activity through the success fee program. Potential commercial benefits include project investment, return on financing, and revenue generation from the sale of goods and services. The requirement to pay a success fee is triggered if the U.S. company receives commercial benefits related to project implementation.

The M&E Office annually tracks success fee reporting compliance, which usually involves receiving 50-60 reports from U.S. firms per year.

Grant audits are another effective tool to enhance accountability to U.S. taxpayers. Each year, the M&E Office collects information about grant activities that were completed in the prior year and applies a risk assessment methodology in consultation with an Audit Working Group, which includes USTDA's executive and program teams, to identify activities appropriate for audit. The M&E Office documents the outcomes of the audits, which are conducted by an independent third-party, and facilitates any necessary follow-on actions based upon audit findings.

Program Evaluation Standards and Practices

The primary goals of USTDA's program evaluation are to help the Agency identify the most effective ways to leverage resources, inform the Agency's decision-making processes, and contribute to the Agency's ability to maintain accountability and transparency with its stakeholders by providing clear, consistent evidence and analysis.

There are a number of factors that lead to results; USTDA's M&E Office strives to obtain evidence that validates whether and how USTDA's funding affected the outcomes identified. The evidence collected is intended to support organizational learning within USTDA and assist the Agency in documenting the relationship between its activities and their outcomes.

The following guiding principles are incorporated into each evaluation:

- Rigorous and objective analysis of program goals and outcomes in order to provide realistic assessments of results
- Evidence-based inquiry and investigation to support effective programming and strategic decisions
- Growth-oriented, utility-based, and transparent evaluation that supports adaptation, continuous learning, and improvement
- Ethical conduct during evaluations, adhering to applicable confidentiality, privacy, safety, rights, and dignity considerations, while minimizing the burden to participants and the cost to taxpayers.

Evaluation standards and practices have led to a growing portfolio of evidence the Agency uses to balance its funding and regional investment strategy to meet the demands of U.S. industry, overseas partners, and U.S. government policy goals. This includes identifying the countries, activity type, and sectors/subsectors where funding is most effective to ensure it is reaching a variety of U.S. exporters to support U.S. jobs. Evaluation evidence is the foundation upon which USTDA aligns its programmatic funding decisions to achieve its strategic goals.

Evaluations that are relevant, useful, rigorous, and objective contribute to the Agency's success by helping with the strategic allocation of funding for activities in markets and sectors that have strong opportunities for U.S. exports through infrastructure development. Evaluations collect qualitative and quantitative data about U.S. exports and development outcomes after the activities are completed, and assess in a transparent and ethical manner

Evaluation stakeholders include:

- U.S. companies and suppliers
- Host country project sponsors
- Grantees
- Contractors
- Financiers (e.g. multilateral development agencies)
- U.S. Government partners

the linkage between specific activity interventions and final project outcomes.

USTDA's evaluations assess the U.S. content of a U.S. commercial sale resulting from a USTDA-funded activity. In order to make the best estimation of its impact on U.S. jobs, USTDA defines "U.S. content" as goods manufactured in the United States or services provided by individuals based out of U.S. offices. Evaluations assess U.S. content most commonly from the evidence gathered from the activity stakeholders or, in instances where information is limited or unavailable, works with them to estimate U.S. content value through rigorous and transparent methods. The U.S. exports identified

must have a credible and significant linkage to the USTDA-funded activity. Given the nature of USTDA's activity in early project planning and development, results are realized over the long-term. As such, a ten-year rolling average is the interval of time used to capture a meaningful, relevant representation of the U.S. export results of USTDA's programs. The export data is then used to report USTDA's performance on the following two indicators:

- *Export Multiplier:* the average amount of exports generated for every USTDA program dollar obligated—in general terms, it is the "export return on USTDA investment"; and
- *Total Cumulative Exports:* the amount of exports associated with USTDA funding over the course of the Agency's history.

To conduct evaluations, USTDA engages with external, third-party contractors to conduct objective outcome evaluations annually, during which data pertaining to the results of USTDA's activities is gathered and validated. The data collected is analyzed and used as input to evaluation reports submitted to USTDA that assess the outcomes of each of the Agency's funding commitments. As the evaluation reports may contain proprietary business information, they are considered confidential and only aggregated export and performance data is shared publicly. Evaluation information is then aggregated, analyzed, and strategically disseminated by the Agency to support organizational learning, fulfill the Agency's reporting requirements, and contribute to effective performance management.

USTDA's evaluation designs and methods are focused on achieving rigor, transparency, and credibility by reducing the risks associated with the adoption of inappropriate methods or selective reporting of findings. USTDA adheres to thorough evaluation of each activity it funds and aggregates performance data to provide results-based recommendations that can be adopted into USTDA's daily operations to strive towards the highest performance standards.

As standard practice, 100% of completed activities are evaluated at least once. Activities funded through inter-agency transfers are also routinely evaluated. The evaluation of an activity is considered complete when results of USTDA's funding have been fully documented or no additional changes to the information will be realized. USTDA's evaluation findings are the output of multiple third-party evaluations over multiple years and are adjusted to reflect the most accurate information that can be obtained about outcomes. Thus, USTDA can provide reasonable validation and verification that evaluations and related data are complete, accurate and consistent with Office of Management and Budget guidance, as well as many of the Government Accountability Office's best practices.

Program Monitoring and Evaluation is conducted ethically and professionally by the M&E Office and contractors to protect and maintain stakeholder and public trust in USTDA's programs. Evaluations are planned and implemented to safeguard the dignity, rights, safety, and privacy of participants and other stakeholders and relevant confidentiality matters. Evaluators abide by current professional standards pertaining to treatment of participants. Evaluations are equitable, fair, and just, and take into account cultural and contextual factors that could influence the findings or their use.

Means Used to Verify and Validate Evaluation Quality

With the active support of USTDA's Executive Team, the M&E Office leads Agency-wide evaluation efforts by conducting long-term program outcome assessments, compiling quantitative and qualitative data, applying rigorous analysis of program results and impacts, and working closely with Agency staff to increase the use of evidence and drive program improvements. USTDA institutionalizes the use of technology to support data collection and dissemination and has dedicated budgetary resources to maintain continuous improvements.

USTDA fosters an organizational culture that values protecting the integrity, security, privacy, and confidentiality of data when carrying out evaluation. USTDA's systematic data collection efforts are

designed to ensure the highest level of quality and consistency. Reliable data is critical to USTDA's ability to measure performance results to inform meaningful and effective programmatic decisions.

Each evaluation effort requires extensive outreach and surveying of project stakeholders, to verify and corroborate both old and new information through additional sources. As new information is gathered, USTDA's performance data is revised to reflect the status of project developments. Each individual evaluation report provides a complete assessment of the project's outcomes and an analysis of the impact of USTDA's funding on these outcomes. These reports are distributed internally and then used



by USTDA program staff to learn lessons from projects that were successful and those that were not implemented.

The M&E Office uses consistent methods that are most likely to result in obtaining information about the impact of a USTDA-funded activity. At each stage of the data gathering process, information is collected to determine whether, and how, U.S. companies benefited from the USTDA activity, detailing the U.S. exports and U.S. content of the exports, including:

- whether the goal of USTDA's funding was achieved and if not, why;
- how the project was financed or, if it was not financed, why;
- a complete documentation of what resulted from the USTDA activity, if anything, and why those results did or did not occur; and
- a list of individuals who are knowledgeable about the project's status.

To ensure objectivity, USTDA has maintained an external, third-party evaluation process since the Agency's inception. Multiple outside evaluations contractors collect data required for quantitative analysis that is used to report on performance measures. By having multiple companies perform these services, USTDA can maintain a system that allows each company to independently – and separately – validate the Agency's evaluation methodology and data, and to provide recommendations on how the process can be strengthened. The outside evaluation contractor teams, while working closely with the M&E Office, operate objectively with an appropriate level of autonomy from programmatic and political stakeholders within USTDA. The Agency protects the collected data

by maintaining a secure database that can only be accessed by internal personnel, and a separate client server application for use of the third-party contractors.

Evaluation along the Activity and Project Cycle

The standards and practices that guide this evaluation policy are deeply embedded in the life cycle of every USTDA-funded activity. At the program design stage, during the scoping and definition of a USTDA-funded activity, program staff develops and documents evaluation strategies identifying the intended objectives, relationship between the activity and expected outcomes, as well as metrics to track them.



During funding disbursement for grant activities, program teams evaluate the activity by conducting PIAs, a type of implementation evaluation, to determine whether desired results are occurring as expected during activity implementation. The PIA documents the status of the USTDA-funded activity to determine the likelihood of project implementation and whether USTDA's funding will achieve its intended objectives, such as creating U.S. export opportunities. This also allows USTDA to make funding decisions and adjustments as they are identified to improve funding efficacy. For example, it helps USTDA identify whether additional assistance is needed to move the project toward implementation, which may highlight an opportunity to provide gap financing – including specialized advisory services, transaction advisors, regulatory assistance and/or

training – to overcome obstacles to implementation.

Upon completion of a grant activity, USTDA receives and reviews a final report that was prepared by a contractor and approved by the grantee, documenting the work performed under USTDA's funding. All final reports include recommendations on how the grantee can implement the project. These recommendations often include a list of equipment and services that are required for project implementation, as well as a list of potential U.S. sources of supply. As such, the recommendations within the final report help frame USTDA's evaluation efforts. The evaluation strategy, the PIA, and the contractor's final report recommendations then support outcome evaluations, the first of which is the initial impact assessment (IIA). Upon completion of the IIA, outcome evaluations are conducted on an annual basis until project outcomes have been fully assessed (see section Means Used to Verify and Validate Evaluation Quality, above).

For USTDA-funded reverse trade mission, conference, workshop or training programs, contractors submit a report that includes participant surveys evaluating what they gained through the event and how their participation helped them achieve their and USTDA's goals. This report, and the accompanying surveys, are intended to capture instances where business connections were initially made at the USTDA event but needed time to generate meaningful results. Simply put, the report is intended to help document commercial impacts resulting from USTDA-funded activities. The evaluation strategy developed during activity conception is used to inform the surveys issued upon

the activity's completion. As with grant activities, upon completion of the final report, the activity is then entered in USTDA's third-party evaluation cycle.

In the case of transfer funded activities, during the course of or in addition to routine evaluations, USTDA aims to engage with key stakeholders (e.g., other U.S. government agencies) to collaboratively conduct evaluations to facilitate learning and improve the outcomes of transfer funded activities, to the extent that dedicated funding and staff time is available.

Along the activity cycle, USTDA's evaluation design and methods involve gathering primary and secondary data via stakeholder consultation, interviews, and surveys; personal phone communications; emails; in-person interviews; publicly available information; U.S. government documentation, or a combination of these sources. Throughout the evaluations, USTDA puts measures in place to ensure the dignity, rights, safety, and privacy of participants, other individuals, and entities affected by an evaluation.

This policy seeks to ensure the rigorousness of the monitoring and evaluation process, which forms the foundation of the continual strengthening of the Agency's programs. To identify and rectify any operational deficiencies within the evaluation process, USTDA aims to assess evaluation processes to ensure the M&E policy incorporates the current standards and practices.

Learning from Monitoring and Evaluations

Actionable, relevant, and timely evaluation findings support the Agency's proactive approach to learning from program outcomes as a means to turn those lessons learned into actionable strategies to bolster future program funding decision-making, program design, and strategic planning. Therefore, evaluation findings are integrated throughout the program lifecycle and in turn inform the Agency's evidence-based decision-making and learning.

USTDA uses evidence in day-to-day decision making and throughout program development and delivery as reflected in the below chart. This is accomplished formally as the use of evidence is integrated into existing processes as well as on an *ad hoc* and informal basis.







In compliance with the Evidence Act, USTDA has developed a learning agenda and the criteria to identify strategically significant evaluation reports from its annual evaluation plan. These steps help to formalize the learning process within USTDA to improve future program design and inform strategic decisions. The learning agenda involves a strategic selection of key evaluation and performance questions, as well as the processes by which to share findings widely. By designing relevant program evaluations, the findings are intended to be used and integrated into future program design and decision-making. With routine learning from the significant evaluation reports shared across programmatic teams, the Executive Team strengthens the Agency's culture of accountability and performance improvement. This practice helps reduce disincentives to uncovering program deficiencies and encourages the use of evidence to improve programming decisions.

As noted previously, USTDA conducts several outcome evaluations during each activity's life cycle to document the outcomes of USTDA's funding and progress toward achieving its objectives. The M&E Office actively engages with program teams to review and act upon these outcomes. For example, monitoring and evaluation findings may be used by the Agency and the program teams to course-correct ongoing activities, which can include amending activity agreements. However, if it is determined that a grant activity will not meet USTDA's funding objectives, the Agency may terminate the activity so that funding can be redirected to programs that are more likely to achieve intended outcomes and results.

In certain circumstances a grant activity may need to be terminated early for a variety of reasons, including U.S. firm or Grantee request or U.S. government-wide imposed restrictions. While these situations are relatively rare, the M&E Office's active engagement throughout the termination process helps the Agency responsibly manage U.S. taxpayer dollars and capitalize on continual learning opportunities through sharing best practices and lessons learned with program teams.

Typically, early grant termination impacts less than 10 grant activities a year, or approximately 5% of ongoing grant activities. The M&E Office's efforts to manage grant termination also support subsequent evaluation of these projects and create learning opportunities for the Agency to be able to identify and mitigate potential terminations before they occur.

To ensure sustainability of the monitoring and evaluation support, the Agency recruits qualified evaluators and hires experienced evaluation contractors. Additionally, the Agency ensures the continued professional development of its evaluators so that they can effectively plan, manage, implement, and oversee high-quality evaluation activities

Authorities

The authorities relevant to the Program Monitoring and Evaluation Policy are found in:

- The Foreign Assistance Act of 1961
- Foreign Aid Transparency and Accountability Act of 2016
- Government Performance and Results Act Modernization Act of 2010
- Foundations for Evidence-Based Policymaking Act of 2018