



CHOOSING BETWEEN A USAID EXTERNAL OR INTERNAL EVALUATION

Introduction

The purpose of this guidance document is to provide USAID staff in the Missions and in Washington Operating Units (OUs) with guidance on choosing whether to conduct an internal or external evaluation.

The distinction between internal and external evaluations is an important element of USAID evaluation requirements. Required evaluations must be external, per Automated Directives System (ADS) 201.3.6.6. However, Missions and Washington OUs may decide to conduct an internal evaluation where an evaluation is not otherwise required. In some cases, a Mission or Washington OU may request to use an internal evaluation to meet evaluation requirements when the Mission or OU believes the evaluation meets or exceeds the evaluation standards in ADS 201.3.6.2. Missions and Washington OUs must provide such a request in an action memorandum for approval by the Agency's Evaluation Officer or his or her designee.

Per ADS 201.3.6.5, OUs should devote approximately one to three percent of their total program funding to external evaluation, on average. OUs must also evaluate the majority of their Program resources through a combination of required and non-required, external, and internal evaluations. USAID Missions/Operating Units (OUs) are encouraged to conduct non-required evaluations as needed for management purposes or organizational learning. Non-required evaluations may be external or internal evaluations (ADS 201.3.6.6).

WHAT ARE EXTERNAL EVALUATIONS?

An external evaluation is one in which USAID—not the implementing partner (IP)—has commissioned a third party to implement an evaluation. Per ADS 201, to be counted as an external evaluation, the team lead must be an independent expert from outside the Agency who has no fiduciary relationship with the IP of the activity or project being evaluated.

External evaluations may include a USAID staff member, but the evaluation team leader must be from outside the Agency. An evaluation with a team lead from USAID/Washington is not an external evaluation. An evaluation contracted through a subcontract of the IP is not an external evaluation.

WHAT ARE INTERNAL EVALUATIONS?

Internal evaluations are those that are either: (1) commissioned by USAID in which the evaluation team leader is USAID staff (a USAID internal evaluation); or (2) conducted or commissioned by an IP—or consortium of implementing partner and evaluator—concerning their activity (an IP internal evaluation).

Concerning the latter, funding may be dedicated within a project or activity design for IPs to engage in evaluative work for their institutional learning or accountability purposes (ADS 201.3.6.6). In such cases, the IP should discuss plans for an internal evaluation with their Agreement Officer's

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Representative/Contracting Officer's Representative (AOR/COR) and include it in their Activity Monitoring, Evaluation, and Learning (MEL) plan and annual work plan. In addition, the IP should provide the AOR/COR with the evaluation statement of work for review, curriculum vitae of the evaluators to conduct the evaluation, and the final evaluation report for feedback and approval.

WHAT PURPOSE DO EXTERNAL EVALUATIONS SERVE?

An external evaluation serves the purpose of validating the standard of independence, which aims to mitigate bias and ensure credibility and integrity to the evaluation process. The importance of an evaluator's independence from program management often provides greater credibility of the evaluation findings and report. An external evaluation reduces real or perceived conflict of interest—a situation in which a party has interests that could improperly influence that party's performance of official duties or responsibilities, contractual obligations, or compliance with applicable laws and regulations. A real or perceived conflict of interest of an evaluator translates to a lack of impartiality, objectivity, and integrity and has the potential to jeopardize the credibility and validity of the findings.

External evaluations should be conducted for required evaluations and for reaching the target of approximately one to three percent of total OU program funding that should be devoted to external evaluation, on average. External evaluations at USAID are also recommended for non-required evaluations when the evaluation is expected to primarily serve an accountability purpose for external audiences. In addition, external evaluations at USAID may serve to supplement USAID expertise and provide a valuable outside perspective.

WHAT PURPOSE DO INTERNAL EVALUATIONS SERVE?

The purposes for planning and implementing internal evaluations include: (1) to benefit from internal expertise and knowledge of program or Agency operations; (2) to better ensure that learning from an evaluation is captured internally, utilized, and institutionalized in the OU or Agency; (3) to develop the capacity of USAID Mission staff in the process of planning and implementing high-quality evaluations; and (4) to more quickly (than possible through the procurement process) answer a specific development question or collect urgently needed data on a project's or activity's performance. In addition, internal evaluations may be conducted to help ensure that the majority of an OU's Program resources are evaluated (per ADS 201.3.6.5).

WHEN TO PLAN AND CONDUCT INTERNAL EVALUATIONS

There are many reasons that OUs and IPs would choose to conduct an internal evaluation for a non-required evaluation:

- When there is an evaluation trigger (such as performance information indicating an unexpected result or a key management decision is required), but the independence of an external evaluation is not needed or desired;
- When an IP wishes to commission an evaluation using an external team or their own staff for learning purposes;
- When there is inadequate funding to commission an external evaluation, but internal capacity and availability exists;
- When there are inadequate mechanisms available to procure an external evaluation on time, but internal capacity and availability exists;
- To provide capacity building, learning, and practical experiences to USAID staff in conducting evaluations so that they will become better commissioners, implementers, and users of evaluation findings; and
- To promote an Agency-wide culture of learning.

WHEN NOT TO CONDUCT AN INTERNAL EVALUATION

If the activity is required to be evaluated, per ADS 201.3.6.5, an internal evaluation should not be used. It is also not recommended that high-profile or highly scrutinized activities be selected for an internal evaluation, regardless of whether it is required or not. Similarly, if an evaluation is primarily focused on accountability issues for an external audience (rather than internal learning), an internal evaluation is not suggested. It is recommended that in these cases, external evaluators be used, with attention paid to selecting the highest-qualified, experienced, and independent evaluators to ensure quality and to mitigate bias or perceptions of conflict of interest.

REPORTING AND DISSEMINATION OF INTERNAL EVALUATIONS

To the extent possible, internal evaluations should follow the same processes and procedures that apply to external evaluations as described in sections **201.3.6.7** through **201.3.6.10**. Internal evaluations are also subject to the same evaluation report requirements and quality criteria as external evaluations as described in **201.3.6.9**. Missions and Washington OUs must plan for dissemination and use of any planned evaluation. Missions or Washington OUs should consider how key partners and other development actors would best receive evaluation information and plan their communications products accordingly. Final evaluation reports for internal evaluations should utilize the USAID Evaluation Report template and must be uploaded onto the Development Experience Clearinghouse within three months of the evaluation's conclusion. OUs must also submit data assets created or derived in the process of carrying out an internal evaluation to the DDL (See ADS 579 for more information). Internal evaluations are reported annually in the Evaluation Registry of the OU Performance Plan Report along with external evaluations.