



# Measure What You Treasure

By InterAction's Evaluation and Program Effectiveness Working Group (EPEWG)

*InterAction asked its Evaluation and Program Effectiveness Working Group (EPEWG) to contribute an article to Monday Developments on the evaluation issues of greatest concern to us today. We received input from a range of program area and context perspectives. A common thread throughout the responses was a desire to figure out how to give as much attention to accountability to those we seek to serve, evidenced in longer-term outcome and impact assessments, as we give to accountability related to short-term output measures, often prioritized by donors and charity watchdogs. Accountability to whom and for what? With what evidence?*

**W**hen discussing accountability and the evidence produced to demonstrate effectiveness, non-governmental organizations (NGOs) dedicated to international development face a particular challenge: those who fund their interventions and those who participate in them are distinct. Thus, the NGOs ask: accountability to whom, for what, within what time period, and with what type of evidence? If an NGO's goal is to improve the lives and environments of the people it serves, then the NGO wants to show that it has done so over the long term and from the participants' perspectives. But, to receive future funding that is essential to its ongoing work and is frequently awarded with relatively short durations, it must prove on an annual basis that it has met donor requirements. Often, these two accountability demands – to participants and to donors – are in conflict.

Further, what constitutes evidence of effectiveness and the timeframe in which it must be reported can differ greatly for donors and intervention participants. These differences result from different goals – the nature of the desired change – and donor constraints. Equally importantly, NGOs' abilities to undertake evaluations that measure behavior change and impact and to learn from those evaluations vary due to time and budget availability, capacity and willingness to collaborate with others. All of these factors have significant implications for how NGOs focus their monitoring, evaluation and related activities.

## What measures tell us: outputs vs. outcomes

Participants' and donors' goals may be different. Participants may want to see evidence of lasting disaster recovery, poverty alleviation, improved health, increased opportunities or strengthened democracy.

Donors, and particularly bilateral donors, on the other hand, may be more interested in international assistance's contribution to foreign policy objectives, including security and political and financial stability, often with a short-term time horizon.

Bilateral donors can also face budget constraints that make them weigh international assistance against other priorities, and demand short-term results that can inform an annual budgeting cycle. In the United States, the President's Emergency Plan for AIDS Relief (PEPFAR) has demanded primarily output-level measures as evidence of how funds are spent, but that do not necessarily show evidence of longer-term changes resulting from that investment. Based on PEPFAR as a model, the U.S. foreign assistance reform process similarly has required funding recipients to report annually on primarily output-level indicators to inform congressional budget alloca-

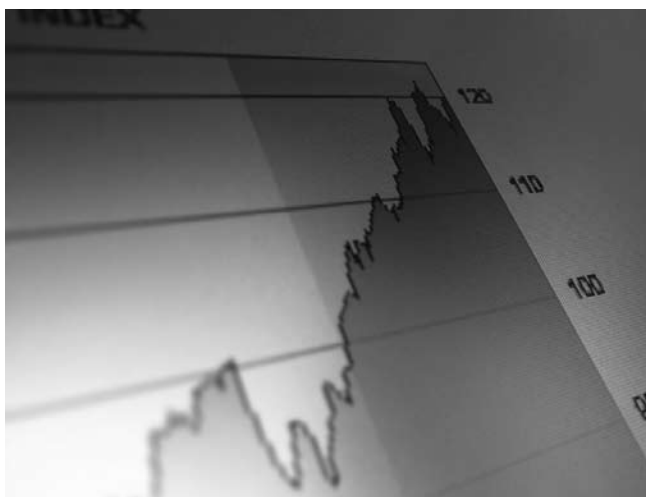
tions, but does not necessarily focus on longer-term program outcomes or impacts.

Charity rating systems, such as Guidestar and Charity Navigator, also value standard business financial ratios over impact assessments when judging NGO effectiveness: the ratio of overhead to program expense serves as a key measure. Yet, those who have worked in NGOs know that this measure can be misleading. To bring the ratio down, expenses can be carefully allocated or an NGO can rely on a small number of large program expenses to offset overhead costs. NGOs that value impact measures over financial ratios as means to show their effectiveness recognize they are in a bind: to invest in good measurement systems and impact evaluations, they must increase overhead costs, and thus worsen the overhead to program ratio on which their donors will judge them.

## New donors: challenges and opportunities

Within this context, the proliferation of different types of donors provides NGOs with both opportunities and challenges. Some foundations have encouraged NGOs to place more emphasis on managing for results. This has encouraged NGOs to become more internally coherent and strategy-driven, improve the quality of their interventions, and provide better evidence of their effectiveness. Further, this opportunity for NGOs to develop a more diversified funding base offers them greater freedom to pursue longer-term goals that address the underlying causes of poverty without being beholden to a single or a few funders and their constraints.

Yet, the evaluation methods some foundations favor, while rigorous,



might not be appropriate to the interventions they are promoting or the contexts in which international development efforts take place. Compounding this challenge is the lack of agreement among donors regarding the focus and nature of evaluation activities. Thus, NGOs with support from multiple donors are often required to set up multiple systems to respond to their distinct reporting demands.

Additionally, witnessing this more competitive funding environment, NGOs feel the need to distinguish themselves from others in the eyes of donors. Unless a donor explicitly encourages it, this competition serves as a disincentive for collaboration in intervention design, assessment, learning and improvement – collaboration that is necessary if NGOs, limited in their resources and reach, are to make a measurable contribution to poverty alleviation and social justice.

## Looking for solutions: individual and joint capacity building

In general, and primarily in response to donor demands, NGOs are investing increasingly in monitoring and evaluation (M&E). Numbers of staff members dedicated to M&E are increasing, NGOs are investing more in building their M&E

capacity, and M&E practitioners talk less about a lack of resources and attention and more about how best to develop global M&E systems. Some NGOs are even investing systematically in operations research and program impact assessments to help them improve their effectiveness.

In some instances, NGOs have successfully come together, often with donor financial support, to help each other improve their M&E capacity and then use their findings to improve programming and inform advocacy efforts. An example of this is NGOs implementing U.S. Agency for International Development (USAID)-funded Child Survival programs. Tom Davis, Director of Health Programs, Food for the Hungry and Chairman of the Board, CORE Group, offers the following:

*Because of the presence of communities of practice such as the CORE Group with robust and active M&E working groups, new and improved indicators and M&E methods ... have been refined and rolled-out to more and more PVOs [private voluntary organizations] and FBOs [faith-based organizations] working in development. These tools help us to take a more comprehensive look at where we are succeeding and where we are failing, and assure that we are focusing on the right things and truly listening to our clients. Using more advanced methods, such as measurement of mortality changes, has allowed organizations to better understand the impact of their projects, and also has permitted them to use their results for high-level advocacy.*

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The CORE Group, a 501(c)(3) member-led association of international NGOs that work in health and development, has received funding from USAID and other donors to strengthen the capacity of its members and in-country partners' M&E capacities to improve program performance and quality.

Similarly, USAID's Office of Food for Peace (FFP) funded the Food and Nutrition Technical Assistance Project (FANTA) to help USAID/FFP and its implementing partners design, monitor, evaluate and learn from their food security and nutrition programming. While FANTA is not NGO-owned, it works closely with NGOs to develop and share guidance for measuring the change brought about by USAID/FFP-funded programs. Forums like these provide organizations with a place where they can discuss good M&E practices, and come up with innovative, low-cost solutions to M&E problems. Working together, NGOs can also leverage their individual knowledge to more compellingly advocate for policies and funding that support international development needs.

In another model, seven large international NGOs came together to build their emergency response capacity. Under the Gates Foundation-funded Emergency Capacity Building (ECB) project, among other activities, they sought to build their M&E capacity and promote joint evaluations and learning. The guidance they produced has received broad distribution. Meanwhile, from their joint evaluations, they extracted valuable lessons learned regarding the broader perspectives and learning that can result from collaboration, but also the importance of common agreement, coordination and resource commitments.

Yet another collaborative effort is bringing together an even broader

range of actors: governments, multi-lateral donors, philanthropic foundations, think tanks and NGOs. Through the International Initiative on Impact Evaluation (3IE), they are supporting evaluation work prioritized by policymakers in countries that receive assistance; that is, they are recognizing the need to better understand the impacts of international assistance. Acknowledging that financial and capacity limitations dissuade individual organizations from investing significantly in impact evaluations, and acknowledging that what we learn from impact evaluations comprises a public good, these entities chose to invest in a new, independent organization, charged with addressing enduring development questions via impact evaluations whose results will be made widely available. Already, three NGOs are members. (See Jessica Gottlieb, "Doing Better at Learning: Impact Evaluation for Development," *Monday Developments*, Vol. 25, No. 4, April 2007, 16-17.) The Network of Networks for Impact Evaluation (NONIE), which started with three donor evaluation networks and now also includes evaluation associations based in recipient countries, is a similar new effort.

### **Looking for solutions: establishing principles and standards**

As another approach to showing evidence of their accountability to various stakeholders, NGOs are establishing mutually agreed upon principles and standards. These include InterAction's Self-Certification Plus process, Sphere standards, Humanitarian Accountability Partnership—International's quality assurance scheme, self-assessed programmatic and management internal standards, and others. (Please see *Monday Developments*, Vol. 25, No. 12, December 2007, which is dedicated to this topic.)

In an intergovernmental effort that is now beginning to include civil society organizations, the Organization for Economic Cooperation and Development (OECD)/Development Assistance Committee (DAC) recognized the need to work closely with recipient governments to achieve the Millennium Development Goals (MDGs). In March 2005, they established the Paris Declaration on Aid Effectiveness. At the Third High-Level Forum on Aid Effectiveness being held to assess governments' adherence to the Aid Effectiveness Principles, civil society organizations will also participate in recognition of the significant role they play in aid delivery. Civil society organizations will be urging governments to assess aid effectiveness from the perspectives of their citizens, and they will be examining measures of their own contributions to aid effectiveness.

Each of these efforts offers hope to those who ask how NGOs can best demonstrate accountability to different stakeholders and what constitutes evidence of effectiveness. Increasingly, donors are valuing evidence of outcome and impact-level results, complementing participant demands. And increasingly collaborative efforts are emerging that help all stakeholders produce and learn from that evidence in order to improve aid effectiveness. ●●○

*Primary InterAction EPEWG member contributors to this article were American Red Cross (ARC), CARE, Catholic Relief Services (CRS), Church World Service (CWS), Floresta, Food for the Hungry, Heifer International, Interplast, Save the Children, and World Vision.*

*For more information about InterAction's EPEWG, please contact InterAction Senior Program Associate Hilary Nalven (hnalven@interaction.org) and EPEWG Co-Chairs Carlisle Levine (clevine@care.org) and Juan Carlos Alegre (jcalgre@savechildren.org).*