

# Capacity Development BRIEFS

SHARING KNOWLEDGE AND LESSONS LEARNED

## THE CAPACITY TO EVALUATE: WHY COUNTRIES NEED IT

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*Evaluation skills are central to effective development work. Evaluation captures real results, leads to feedback and learning, and identifies areas where more capacity is needed. It is also an essential tool for making mid-course corrections in ongoing programs, developing appropriate indicators, tracking an individual's or organization's capacity to deliver on its mandate, and guiding the design of future programming. Donors now expect countries to be full partners in the development process, which means that they need to have the capacity to evaluate their own progress and to use the findings to continuously improve their performance. The evidence suggests that these changes can potentially have a transformative effect on governance and make poverty reduction efforts dramatically more effective. The World Bank, in partnership with Carleton University in Ottawa, is currently providing evaluation capacity development through its International Program for Development Evaluation Training (IPDET), which has already trained more than 850 practitioners from 100 countries.*

It is no secret that in the past 25 years, both donors and developing countries have become increasingly disenchanted with development assistance: donors because of the ineffective use of resources and lack of results and governments because the two basic tenets of the way aid is delivered—the project modality and policy conditionalities—have been ineffective in achieving sustainable progress, while prolonging aid dependency. The capacity of countries to manage and evaluate their own development progress is the key to breaking out of this stalemate.

### From Clients to Development Partners

In assessing the reasons for their lack of effectiveness, aid agencies have carried out a number of studies in the past decade. These studies have consistently shown that a limit exists to what donors can do without country ownership of development initiatives. As a result, donors began in the mid-1990s to encourage “client” governments to develop their own assistance and poverty reduction strategies and began to tailor their investments to support country strategies, rather than pursuing their own development agendas. It soon became clear, however, that country ownership of policies and programs is not sufficient for achieving

results, because developing countries generally lack the planning, budgeting, and performance assessment tools necessary to manage development. The emphasis of donor lending has, therefore, recently shifted from an ownership to an empowerment/partnership paradigm: donors help countries to develop the right tools to manage development, and partner (not “client”) countries are responsible for evaluating and reporting on their progress and using the lessons learned from those evaluations and from stakeholder feedback to continuously improve their performance.

### Mutual Accountability through Planning and Evaluation

The Paris Declaration on Aid Effectiveness (March 2, 2005), in which donors and countries agreed to be accountable to each other for development progress,

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articulated this new development paradigm through the use of mutually agreed standards, processes, and monitoring and evaluation frameworks. More specifically, donors affirmed their commitment to:

- Strengthen partner countries' national development strategies and associated planning, budget, and performance assessment frameworks
- Define measures and standards of performance and accountability of partner country systems in public financial management, procurement, fiduciary safeguards, and environmental assessments in line with broadly accepted good practices
- Address weaknesses in partner countries' institutional capacities to develop and implement results-driven national development strategies
- Implement, where feasible, common arrangements at the country level for planning, funding, and disbursement
- Harmonize their monitoring and reporting requirements, until such time as they can rely more extensively on partner countries' statistical, monitoring, and evaluation systems to track development progress.

At the same time, partner countries pledged to:

- Integrate specific capacity-strengthening objectives in national development strategies
- Establish results-oriented reporting and assessment frameworks that monitor progress against key dimensions of the national and sector development strategies
- Involve a broad range of development partners in assessing that progress.

All partner countries are expected to have mutual assessment systems in place. By 2010 the proportion of countries without transparent and monitorable performance assessment frameworks in place is expected to decrease by one-third.

### Why the Emphasis on Evaluation?

Evaluation has implications far beyond mutual accountability. Evaluation skills are central to effective development work, not simply because they facilitate partnership, but because they lead to critical thinking and greater institutional and organizational capacity, both of which are necessary to address increasingly broad sets of issues. In addition, evaluation captures real results, rather than inputs and activities; leads to feedback and learning; increases understanding of the issues; and identifies areas where more capacity is needed. It is also an essential tool for making mid-course corrections in ongoing programs, developing

appropriate indicators, tracking an individual's or organization's capacity to deliver on its mandate, and guiding the design of future programming.

On a more concrete level, a government's capacity to evaluate its own development progress is a precondition for donors' willingness to provide funding through budget support, rather than tying it to specific projects or programs. This is still a controversial proposition, but the preponderance of evidence suggests that budget support has a transformative effect on institutions and governance. It immediately empowers a government in its relations with donors, while increasing its accountability to political and civil society. Studies have found a strong interdependence between "big picture" democratic accountability and line-management reporting under budget support. Furthermore, by freeing governments of the need to satisfy different donors, budget support reduces transaction costs and increases the allocative efficiency of public spending. By aiming to use and strengthen government systems, rather than setting up parallel systems (such as project implementation units), this support increases the effectiveness of public administration. By focusing on government's own accountability channels, budget support also improves transparency and accountability to the country's parliamentary institutions and population. Improvements in all these areas, in turn, are highly likely to enhance government's capacity to reduce poverty by producing intermediate outcomes, such as high-quality basic services and effective regulation.

### Emerging Good Practices: Results-Based Management and Managing for Development Results

Evaluation is integrated into development work through two related practices:

- *Results-based management* aims to improve the performance of organizations by providing the management framework and tools for strategic planning, risk management, performance monitoring, and outcome evaluation. Its main purposes are to improve organizational learning and fulfill accountability obligations through performance reporting.
- *Managing for development results* is a management strategy focused on development performance and on sustainable improvements in country outcomes. It provides a coherent framework for development effectiveness in which performance information is used to improve decisionmaking, and it includes practical tools for strategic planning, risk management, progress monitoring, and outcome evaluation.



## ***Training Developing Country Professionals in Effective Evaluation***

One Bank response to the increasing demand for evaluation capacity training has been the International Program for Development Evaluation Training; since it began in 2001, this program has trained more than 850 practitioners from 100 countries in techniques for results-based management and for managing for development results. Created by the World Bank's Independent Evaluation Group (formerly Operations Evaluation Department), in partnership with Carleton University in Ottawa, Canada, IPDET has also fostered the growth of professional and personal networks among participants, which has helped to create an active community of shared practice and interest in development evaluation across many countries and sectors.

### ***The Skills Acquisition Process***

Many program participants have intuitively been doing evaluations using informal tools. As participants in IPDET, they gain a richer understanding of the full range of evaluation issues and their importance for improved performance, better governance, and effective use of general budget support.

IPDET addresses four major aspects of evaluation capacity: (a) identification of issues, needed skills, and intuitive tools, (b) use of quantitative and qualitative data and participatory evaluation tools, (c) sharing of knowledge and experiences with peers, and (d) integration of that learning into an operational framework. Courses offered as part of IPDET include, for example:

- *Qualitative methods and analysis* (techniques such as rapid appraisals and cross-program synthesis evaluation)
- *Results-based monitoring and evaluation* (design of performance-based monitoring and evaluation systems, including steps such as readiness assessment, goal setting, indicator selection, and establishing baseline data)
- *Quantitative data analysis* (the use of descriptive statistics, such as means and correlation to summarize information and determine when results are statistically significant)
- *Small-scale surveys* (the challenges of conducting surveys in the development context, including issues related to translation, gender, and selection and training of data collectors)
- *Use of citizen report cards, community evaluations, and civic engagement* (design of a community evaluation of public service and discussion of concepts, tools, and methodological issues behind using this approach in rural and urban settings).

## ***Putting Evaluation Capacity into Practice***

Alberto Narváez, an IPDET graduate, returned to Quito, Ecuador, where he works for the Fundación para Salud Ambiente y Desarrollo (a foundation for health and environmental development) and applied his newly acquired skills to finding out how decades of gold mining have affected the environment and health of area residents. Earlier efforts had produced limited success, but with the skills acquired through IPDET, Narváez is now fine-tuning his organization's approach to evaluating health and environmental impacts. "For us," he says, "the most important thing is to link strategies with outcomes."

Another IPDET graduate, Arturo Campaña, works for the NGO Centro de Estudios y Asesoría en Salud (Center for Study and Assessment of Health) in Quito, Ecuador, and is using his new skills to assess the impact of chemicals on farm workers. In that country's Cayambe region, farms produce flowers for export, which requires that workers use chemicals to prepare and preserve them. In earlier surveys, the use of qualitative data from interviews with farm workers posed analytical and interpretive issues that the center was not able to resolve. Using his IPDET training to leverage his understanding of agricultural chemicals, Campaña designed a learning agenda to resolve methodological problems and conduct evaluations according to international good practice.

### ***Beyond Individual Skills Development: Building Stronger Organizations***

Ninety percent of former participants interviewed for an IPDET impact assessment said they were able to handle evaluation challenges successfully in their organizations; however, assessing the impact of enhanced evaluation capacity on organizational and institutional effectiveness is a greater challenge. Although the IPDET evaluation training reportedly brought about changes in evaluation units, monitoring systems, and policies, more than a third of those interviewed said that organizational barriers such as lack of financial resources, absence of a learning culture, and political resistance prevented more profound changes. This result is not surprising, because in a resource-constrained environment, the organizational culture and incentive structure is focused on gathering inputs and producing the bare minimum of outputs that the entity must deliver, and funding is generally tied to designing and delivering programs, rather than to evidence that targets were achieved. So long as funding depends on evidence of appropriate expenditures and outlays, rather than on results, managers are unlikely to invest in evaluation. *When developing country professionals are themselves champions of evaluation, however, they can move their organiza-*

tions incrementally toward results-based management. The development of evaluation capacity can thus help facilitate a shift toward a results-based learning culture in which monitoring and evaluation are an organic part of management and decisionmaking. The development of a learning agenda based on monitoring and evaluation results is critical to the capacity development of managers and the success of development interventions. Development partners and governments are becoming increasingly aware that agencies and countries both benefit when learning is fostered and shared in a systematic and transparent manner.

## Conclusion

Evaluation capacity is a critical factor in the success of development initiatives. It captures real results, promotes learning, creates opportunities for mid-course corrections, guides the design of future programming, and makes it possible for donors to shift from the project modality and policy conditionalities to budget support, which in turn makes governments more accountable to political and civil society. As evaluation capacity development becomes a richer, broader, and deeper area of practice, it has the potential to transform development work into a dynamic and effective partnership between countries and aid agencies—a partnership in which donors play a supportive role in assisting countries to realize their own vision for development.

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