International Trends and Development Evaluation: The Need for Ideas

ROBERT PICCIOTTO

ABSTRACT

A number of trends in the development arena—a renewed commitment to lifting billions of people out of poverty, the need to draw and put to use the lessons of experience, and the emergence of “evidence-based” policy making—create daunting professional challenges for evaluation. Development evaluation has long been nearly invisible within the evaluation community. But by emphasising results-based approaches to global public policy, recent UN conferences on development finance (in Monterrey, Mexico) and on environmentally and socially sustainable development (in Johannesburg, South Africa) have attracted worldwide attention and moved development evaluation to center stage. These conferences have brought to the fore the need to enhance the management of poverty reduction programs in developing countries, as well as the reciprocal obligations of developed countries to increase aid volumes, improve aid quality, and level the playing field of international trade. In this new enabling environment, development evaluation has been called upon to track the progress being made towards the UN sponsored Millennium Development Goals (MDGs) and to contribute to the improved design and implementation of development policies and programs at local, country, and global levels. These are challenging tasks and it is no longer acceptable that evaluators working for progress in the zones of turmoil and transition where 80% of the world’s population lives should labor in isolation. They require a mechanism for professional connectivity and mutual support. To meet this need, 60 evaluators from developing countries and development organizations met in
Beijing in September 2002 to found the International Development Evaluation Association, or IDEAS. This new wing of the international evaluation architecture has been designed to support development evaluators in tackling the professional challenges of the new century.

THE NEED FOR IDEAS

The stakes facing development practitioners are enormous: lifting billions of people out of poverty and despair. The development evaluation profession has made major contributions to the improved effectiveness of development projects and programs, but it has done so in relative obscurity. The time has come to make its invisible college visible. Just as development and institutional economics have stepped into the limelight with the awards of Nobel prizes to Douglass North and Amartya Sen, development evaluation is finally coming center stage.

The common task of professional evaluators is to make authority responsible. Their mandate is to improve the quality of decision making by shattering ill-founded dogmas and self-serving policy assumptions. All too often policy makers use statistics as drunken men use lampposts—for support rather than illumination.

The task of evaluators also has to do with instruction and learning. But lessons drawn are not necessarily lessons used. James Richardson, a poet, has suggested that embarrassment is the greatest teacher, but since its lessons are exactly those one tries hardest to conceal, it teaches also to perfect self-deception (Richardson, 2001). In this sense, learning and accountability go hand in hand. Evaluators must speak truth to power instead of portraying only what decision-makers would like to be true. The most powerful instrument in their tool kit is “to tell it like it is”. They must wield this instrument responsibly and fairly to be sure. But wield it they must. Transparency is at the heart of good evaluation.

The emergence of “evidence-based” policy making has helped to increase the stature of the development profession. The simplistic dogmas of central planning and market fundamentalism have been consigned to the dustbin of development history. The demand for objective assessment for what works and does not work is at an all time high. Citizens everywhere are insisting on greater transparency and accountability. At local, national, and global levels, development policy makers are seeking improved methods of performance measurement, monitoring, and management.

This is ultimately why 60 development evaluators from around the world gathered in Beijing in September 2002 as a constituent assembly to found the International Development Evaluation Association, or IDEAS. It differs from the International Organization for Cooperation in Evaluation in that the former is an individual membership organization intended to provide professional connectivity and mutual support among evaluators working on development issues, whereas the latter is an assembly of national and regional evaluation organizations designed to promote communication, professional development and pursuit of common goals by member organizations. It is simply not acceptable that evaluators dedicated to the progress in the zones of turmoil and transition where 80% of the world’s population live should be deprived of professional connectivity and mutual support.

To meet this need, a new international association, grounded in the developing world and dedicated to excellence in evaluation has been created. As a global network, IDEAS will provide vital transmission belts for development experience and evaluation knowledge, a critical function because the challenges of development today are global and local all at once. They are local because development solutions must rely on the knowledge and ingenuity of
those most directly affected by development policies and programs. They are global because no nation can thrive unless it is connected to the mighty engine of the international economy.

Within a growing number of developing countries, civil society organizations are promoting participation in the decisions that affect the welfare of local communities. The state needs the energy and adaptability of the market. The market needs the predictability and legitimacy of the state. Both the state and the market need the civil society to ensure that public and private interests are judiciously balanced and serve the common welfare rather than factional and vested interests. As a voluntary association, IDEAS will enjoy the legitimacy needed to strengthen learning and accountability in the development system at local, national and global levels.

The challenges of development evaluation call for pragmatic action and collaborative work, rather than ideological posturing. A focus on implementation, rather than noble intentions and vague aspirations, should prevail as IDEAS establishes its governance and settles on its work program. Clear accountabilities must be allocated. Means and ends must be aligned. Verifiable objectives must be specified.

THE DEVELOPMENT CONTEXT

The agendas of two UN Conferences held in 2002 at Monterrey and Johannesburg are emblematic of the new enabling environment for development. Whereas the United Nations Financing for Development Conference held in Monterrey (Mexico) in March focused on the means of development, the Johannesburg Conference on Sustainable Development in September focused on its overarching goal—sustainable livelihoods for all.

Monterrey highlighted that developing countries have contributed significantly to global growth: Since 1965, average annual GNP growth has been almost twice as fast in low-income countries as in high-income countries—5.9% a year compared to 3.0%. Since 1950, life expectancy has increased from 41 to 65 years. Infant mortality has been cut in half. The number of people subsisting on less than $1 a day is trending down for the first time in 200 years, despite population growth.

Whereas opinion surveys prior to Monterrey disclosed vastly exaggerated perceptions about the volume of aid flows, the public is now aware that the share of GNP which donor countries allocate to aid has declined continuously over the past 25 years—from 0.65% in 1967 to 0.23% in 2002. Aid to developing countries now amounts to less than $50 billion, compared to agriculture subsidies within rich countries of $350 billion annually. The widespread notion that aid effectiveness has deteriorated has been laid to rest. A growing number of development assistance agencies now seek to align their assistance with development performance rather than geo-political objectives.

Monterrey was not “just another” UN conference. Rather it was a watershed for development. Heads of state, leaders of private industry, and representatives of voluntary organizations from all over the world engaged in civil and substantive debate and found common ground. Broad agreement was reached regarding the basic principles of a new global partnership matching the adoption of improved policies and good governance in developing countries, with the provision of increased aid and trading opportunities by developed countries. Given the diverse interests and contrasting visions of development that prevailed among conference participants, this was a substantial achievement.

The conference solidified support for the Millennium Development Goals (MDGs) formally endorsed by all 189 United Nations states in September 2000 (United Nations, 2002).
The MDGs provide useful benchmarks for development efforts and they symbolize a focus on results. They enshrine poverty reduction as the overarching mission of development. Hunger eradication, empowerment of women, improvement of maternal and child health, prevention and cure of contagious diseases, and promotion of environmental sustainability represent complementary objectives that electorates in rich and poor countries alike can readily grasp.

Unfortunately, the final outcome of the Monterrey conference, negotiated in advance, did not include binding actions from participants. The Secretary General’s report to the Preparatory Committee of the conference included 87 recommendations, but no specific plan was offered to implement them and no binding commitment was secured regarding the levels of development assistance needed to halve poverty reduction by 2015 (United Nations, 2002).

Neither were concrete decisions taken to double aid levels or to accelerate reform in the aid industry. Indeed, half of the aid is still “tied” to donor exports. Donors still vie with one another to plant their flags on small projects while priority public expenditure programs needed to fuel rural progress and private sector development languish. Lack of harmonization and coordination contributes to “donor overload”. In Tanzania, for example, the reporting requirements of 40 donors for 2,000 projects have stressed weak domestic administrations (World Bank, 2001).

Unless major changes in policies at country and global levels are made, the prospects for reaching the MDGs are limited. With respect to domestic ownership of improved policies, a study by the World Bank’s Operations Evaluation Department of 43 countries that adopted adjustment programs promoted by the World Bank over the period 1975–1996 showed that only 12% of countries demonstrated the capacity and the commitment to achieve durable and major improvements in their policy regimes (Buckley, 1999, pp. 22–23). They achieved GNP per capita growth three times as high as the rate of countries that had not yet achieved durable adjustment and six times higher than countries that have oscillated between weak and strong policy environments.

Looking ahead, growth of per capita incomes in developing countries would have had to be twice the levels achieved in the 1990s for the next 15 years in order to reach the MDGs’ income poverty reduction objective. Only 33 developing countries are on track to meet the goal. Another 65 are unlikely to meet the goal without major policy changes and expanded assistance. Similarly, the prospects for cutting the number of malnourished people by half by 2015 and achieving many of the other goals are not bright given the uncertain prospects for aid, for reform of policies and institutions in developing countries and for more equitable global public policies.

**DYSFUNCTIONS IN THE GLOBAL ECONOMY**

Thus, a great deal remains to be done to make globalization work for the poor. The global economy is volatile. Most markets (especially financial markets) are influenced by perceptions of future trends. These trends are not known in advance and there is a tendency for self-reinforcing biases in public responses to changes in market conditions. The interaction between these perceptions and the real economy can be self-defeating as misconceived optimism creates investment bubbles. In turn, misconceived pessimism leads to sharp corrections and excessive retrenchment. This phenomenon has been labeled reflexivity by George Soros (Soros, 1994).
Reflexivity relates financial instability to the prevalence of inadequate information among market participants and their ensuing lemming-like behavior. A similar syndrome affects the market for development ideas. Fashions tend to sweep the aid industry. They affect the behavior of policy makers and create excessive expectations about a particular program or a specific policy. This leads to an excessive concentration of resources in one particular feature of the holistic development agenda, stresses administrative capacity, and contributes to disappointing outcomes.

The remedy to reflexivity is improved information flows among participants and a better understanding of the forces that drive markets and societies. This is where evaluation comes in. Objective, independent assessments of public policies and programs make governments and markets work for the benefit of all. They encourage a division of labor between those who make the rules in the common interest, those who help to enforce them, and those who are expected to play by them. This is critical because individual player’s influence on rule making tend to favor the few. Equally, if valid and fair rules can be ignored with impunity, the same unsatisfactory outcomes materialize. The recent corporate scandals in the United States have highlighted the importance of independence in auditing. The lesson is clear: It is critical for evaluation to be independent and for transparency to permeate the development environment.

Globalization has led to major adjustments in the operating protocols of corporations and non-governmental organizations. They have adapted to the global order. Not so governments. Massive policy adjustment is needed at national and global levels. More and higher quality aid is crucial. But aid will not be enough to achieve large-scale and sustainable poverty reduction. Urgent action must also be taken on trade. Protection of agriculture and textiles in developed countries is rising instead of falling. It stunts precisely the sectors in which developing countries have a comparative advantage. Subsidies on this scale create gluts that crowd out developing country production.

Private capital flows are highly concentrated and fickle. Fifteen emerging markets account for 83% of net private flows to developing countries and global downturns lead to massive reversals of investors’ attitudes towards emerging markets. In boom years, high capital inflows fuel demand for land and stocks, which benefit the rich. The succeeding bust penalizes the poor when bank bailouts transfer resources to capital owners at the expense of the general public.

While more migration is required to help reduce inequality, cross-border movement of labor is hindered by severe immigration restraints. As a result, mutually beneficial legal migration is hindered and illegal smuggling of migrants enriches criminal groups. There are also dysfunctions in intellectual property regimes and in environmental policies. An international development evaluation community catalyzed by IDEAS should help in the reform of the policies that have made globalization unfair to the poor and a burden to future generations.

ACHIEVING SUSTAINABILITY

Especially difficult to overcome are the long-term environmental and social obstacles to sustainable development with which the United Nations Conference on the Environment grappled. Modest agreements were reached in Johannesburg with regard to fisheries, water, and sanitation. On the other hand, the deadlock regarding global warming was not broken. No targets were agreed for the expansion of renewable energy. And no concrete action was endorsed with
respect to farm subsidies in developed countries. The difficulties faced in securing concrete commitments reflect a deep division of public opinion. No international consensus has yet been forged about the policies needed to combine accelerated economic growth with environmental sustainability or about burden sharing between developed and developing countries.

Yet, the challenges taken up by the Johannesburg Conference are central to the future of mankind. Water scarcity is looming. Coastal ecosystems are threatened. Land degradation is rampant. Fisheries are being harvested well beyond sustainable levels. Half or more of coral reefs may be damaged in this century. More than one-third of biodiversity resources are under siege. Air pollution causes serious health damage in the developing world. Global warming is underway. The market will not overcome such cross-boundary threats to public health, security, and the environment.

The time has come to mobilize political will and financial resources to control greenhouse emissions, discover and promote renewable technologies, enhance ecosystem sustainability, protect forests and bio-diversity resources, and generate productive employment for poor people in the zones of turmoil and development. But Johannesburg shows that governments are unlikely to achieve much progress on their own. Given the increased influence of business and the voluntary sector in the new global order, transnational coalitions involving governments, the civil society and the private sector hold the key to progress.

**IMPLICATIONS FOR EVALUATION**

Development evaluation must now equip itself to adjust to this pluralistic and complex global environment and examine objectively the nature of the new consensus and how it will affect the behaviour of development actors. Most development assistance operations rely on partnerships for their implementation. The resulting contractual arrangements imply joint responsibility for development outcomes. Accordingly, evaluation methods and practices within the development community should take account of the shared objectives, distinct accountabilities, and reciprocal obligations of partners.

A parallel challenge affects the accounting and auditing profession and the business community. Rating agencies have been developing indicators to help channel capital toward environmentally and socially responsible uses. Private companies are adopting “triple bottom line” concepts to assess their own investment performance. Greater transparency in reporting is being adopted voluntarily and/or legislated. Pension funds are increasingly moving their investments out of companies with poor social and environmental records. Non-governmental agencies are scrutinizing the social development consequences of aid and foreign direct investment. The time has come to adopt similar principles in the development assistance business. The new development paradigm emphasizes results, partnership, coordination, and accountability (Picciotto, 2002).

First and foremost, development indicators should go beyond the measurement of inputs (number of projects, volume of commitments, disbursements, and the like) in order to capture program results, that is, outputs, outcomes, and impacts. Second, the primary unit of account for monitoring and evaluation should reach out from the individual project to country and global policies and programs. Third, monitoring indicators should allow tracking of progress toward the MDGs, as well as the tailor-made, intermediate objectives embedded in country programs. Fourth, the performance of individual partners should be assessed in terms of their distinctive accountabilities and reciprocal obligations. For development assistance agencies, these
principles should be reflected in corporate scorecards consistent with results-based management principles (World Bank, 1997).

This is an extraordinarily demanding agenda considering that the record of monitoring and evaluation has been dismal even at the project level. This outcome is partly explained by a lack of domestic evaluation capacity, a major challenge for IDEAS. But it is also due to distorted organizational incentives and to the excessive priority given to inputs versus results (i.e., outputs, outcomes, and impacts) by aid donors and recipients alike. Meager resort to independent verification by qualified academic institutions and voluntary agencies compounds the problem. Furthermore, the fragmentation of aid among hundreds of projects translates into high costs for expert data collection and interpretation. Unless donors change their aid procedures to deliver aid on a programmatic, common pool basis, it is doubtful that the situation will improve rapidly (World Bank, 2001).

At the country level, donor efforts have focused on generating household surveys and improving national statistics. Public expenditure practices emphasizing logical frameworks, tracking surveys, and participatory methods have been neglected. Poverty reduction strategies and country assistance programs leave much to be desired in terms of their “evaluability.” Results chains are rarely used to make transparent the linkages between program and project actions and development outcomes, including the MDGs. Evaluation capacity development has lagged and relevant data are often not collected, interpreted, or used for decision-making (World Bank, 2002).

At the global level, monitoring and evaluation is largely absent. Collaborative programs designed to deliver global public goods are not subjected to independent appraisal and, as a result, often lack clear objectives and verifiable performance indicators. In addition, the impact of developed country policies on poor countries is not assessed systematically, even though aid, debt, foreign investment, pollution, migration patterns, and intellectual property regimes are shaped by the decisions of developed country governments (World Bank, 2002).

In sum, the new development paradigm has raised the bar for evaluation. The conceptual foundations for results-based development evaluation exist. However, the credibility of evaluation hinges in large part on its governance, that is, on the set up of independent evaluation units that report to country legislatures or to governing bodies—or other independent verification mechanisms. This prerequisite of credibility is missing in the evaluation systems used by most governments, companies, and development agencies. The frequent option of resorting to consultants does not guarantee independence.

In effect, monitoring and evaluation should be treated as fiduciary requirements. Independent and self-evaluation are to the public sector what accounting and auditing are to the private sector. The current travails of private sector auditing in the United States confirm that the governance of the development evaluation profession will be as critical to its future as the quality of its skills or the sophistication of its methods.

In their handbook Evaluation for the 21st Century (Chelimsky & Shadish, 1997), Eleanor Chelimsky and William R. Shadish wrote: “evaluation is becoming international in the sense of being at the same time more indigenous, more global and more transnational.” They added: “evaluators will be called upon to exhibit considerable courage in the normal pursuit of their work.” They were right. Development evaluation is a tough business and those who gathered in Beijing are among its pioneers. The world needs IDEAS. Together development evaluators will be more effective. Together they will be braver. Together they will be stronger. With IDEAS development evaluators will be better placed to tackle the ominous challenges of evaluation in the new century and they will help make the world a better place.
REFERENCES


