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CROSS-CUTTING ISSUES

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- 1 -

INTRODUCTION

The Office of Evaluation is undertaking a series of sector studies with the aim of improving on program performance. The areas to be studied include: potable water, irrigation, rural roads, electrification, village health care and wood lot use.

For the studies to yield accurate information and be seen as legitimate, they must be well-conceived and methodologically sound. In addition, data should be collected that will allow comparative analysis to be performed across the sector studies on issues that are centered to Agency concerns. These "cross-cutting" issues have been identified as follows:

CROSS-CUTTING ISSUES

1. Is AID Achieving Its Legislated Objectives?
 - a. Are AID activities resulting in development benefits/disbenefits
 - b. Are benefits accruing primarily to the rural and urban poor?
 - c. Will benefits be sustained when AID resources are withdrawn?
 - d. What are current AID development strategies, and are they cost-effective as compared with more traditional strategies from the standpoint of extensions, spread and replicability?

2. As Regards These Strategies, What is AID Doing Well, Poorly, and Why?
 - a. What are the strengths and weaknesses of the strategies?
 - b. Have implementation problems been so overwhelming as to cause project managers to lose sight of the development strategies?

3. Are "New Directions" Objectives Reasonable?

4. Are there ways in which existing foreign assistance legislation could be revised to facilitate attainment of the "New Directions" objectives?

The following discussion will elaborate upon these issues and starts with some preliminary thoughts on research methodology.

REFLECTIONS ON RESEARCH METHODOLOGY

The development of field data collection instruments is a very messy and frustrating business. It requires endless discussion to develop an initial data collection instrument that is detailed enough to collect accurate data and not so detailed that the data collection requirements are overwhelming. One worries continually about whether the standardization required to permit inter-project comparisons is not so limiting to grossly distort reality. Compromises are required because data collection is expensive and because it is hard to know precisely what one needs (and can get) before going to the field. Judgments must continually be made concerning:

- The size and scope of the data of the data collection instrument
- The reliance on qualitative or quantitative data
- The point in time to stop making revision in the data collection instrument
- what data to trust

Probably separate collection documents, with similar parts for each functional area to be examined, will be designed. The best way to generate these documents is to get the major actors together to "grind" them out. They will be revised markedly after field testing, unless the actors are far smarter than most or just plain willing to be intellectually dishonest. When the data collection instrument is entirely rewritten, the process begins all over again. Ultimately, little of the data collected will be used in the analysis since it is hard to anticipate what form the analysis will take until it is known what data are collectable. However, if the data collection has been thorough, so much will be known about the projects it will be relatively easy to develop accurate scales on relevant dimensions.

Problems of comparability increase with the number of data collectors involved because important judgmental decisions are inevitable. Ideally, the same people collect all the data. It is

far simpler to develop a sensible set of benefit measures for a particular type of activity, but choosing this route severely limits the generalizability of the findings. It is relatively easy to collect data on the delivery of development assistance; it is far more difficult, yet absolutely essential for the task at hand, to collect data on development impact.

1. Is AID achieving Its Legislated Objectives?

Getting accurate answers to questions 1-a. and 1-b. is the sine qua non of the program studies. A review of past AID evaluations suggests it is worth taking a minute to spell out the intent of these questions. These questions are not answered by findings, say in the case of potable water projects, that project monies have been spent or that water pumps are in place and operating. One is getting closer by counting how much water flows and who uses it.

The critical questions concern the net marginal effects of the new installation. How much less time does it take to get water from these new sources than from old sources, and how valuable is this time saving? Do the new water sources contribute to improved health and does this in turn increase productivity?

The question of how far one attempts to trace project impact to ultimate beneficiaries will not be resolved here; and indeed, one can (and should) shoot out in other directions to capture political, social and cultural benefits as well. Ultimately, one usually ends up with a set of second or third-best impact indicators for each benefit dimension and one hopes to find correlations among the indicators for each dimension.

Theⁿ question of finding impact measures that are comparable across different project types is, of course, somewhat thorny; economists love to attach monetary values to all benefits and then make all sorts of comparisons. Unquestionably, this approach has merit when a direct project impact is to increase individual incomes, but it is not readily applicable for the types of projects under investigation. A more appropriate approach is to work out the best possible indicators for each project type separately; see then if there are some comparable indicators across project types, and if not, develop some success scales and make comparisons on these. Of course, one cannot make a very strong argument for comparing scales derived from different types of activities, but as pointed out earlier, this is a messy business.

Turning now to the distributional issue (item 1-b), a number of factors have to be considered in deciding who qualifies as "poor." Development specialists tried for a while to come up with an absolute

number, measured in terms of income, property or livestock owned, or some combination thereof. This failed for a number of reasons: reliable income measures are not available; property needed for subsistence varies tremendously depending on whether one is located in the Bolivian altiplano or in the valleys of Swaziland; and livestock count, while useful in certain limited instances, is inappropriate in others, such as when discussing the Massai who claim it is bad luck to count livestock.

Probably the best process to follow starts by trying to ascertain, in some general manner, the average wealth of an area; with this sense of the situation in hand, determine who is benefiting from the project and how wealthy they appear to be relative to the average. These data should permit one to draw some preliminary conclusions on distribution. Of course, determining who is benefiting is an art in itself. When an organization such as a cooperative is involved, one should attempt to ascertain who gets resources when they are scarce, whose produce is marketed when there is only a limited market; in other words, who benefits in "tough" situations. When an organization is involved, it is often quite informative to ask non-members why they don't join.

It is important to measure level of benefits, even if it is apparent that benefits are going predominantly to the rich. The attempt to achieve a distributional objective is a very new aim, and much remains to be learned about distributional dynamics and whether achieving a distributional objective is going to be costly in terms of total benefits generated and/or implementation costs. The possibilities of studying "incidence dynamics" should be seized upon whether or not they come out as desired.

It is relatively easy to generate benefits while outside resources are being funnelled into the project area, and benefits from these resource transfers can often be substantial. However, the Agency intends to accomplish more than a simple resource transfer to a designated population. As regards sustainability (item 1-c), several issues must be addressed. It is possible for AID to play a strictly catalytic role; i.e., to nudge people into doing things that they see are in their own interest to carry on themselves. This is rarely the case. If benefits are to be sustained, Agency-sponsored projects almost always require that new resources be found to compensate, at least in part, for the termination of the resource flow. There are several potential areas from which new resources might be drawn:

- * new income generating activities;
- * host country government; or
- * project participants.

In examining each source, it is important to distinguish between resource availability and the willingness to make a resource commitment. The following propositions might be tested in this proposed data collection effort:

- * Most Agency-sponsored projects do very badly in terms of sustainability;
- * Significant efforts to develop income generating activities to support project activities have not occurred;
- * More than half of all host country governments do not have the fiscal resources to make the necessary commitments to sustain project benefits. Of those that do, a large portion choose not to for obvious reasons (e.g., foreign donors love to build roads so why bother to maintain existing ones when we can get new ones constructed within a decade?); and
- * Usually project participants have the resources need to carry on a significant portion of project activities. They choose not to do so because they do not believe that in the absence of the management and institutional structure imposed by AID, it is in their interest to support a continuation of project activities. In short, there are economic, political and cultural reasons to believe that project benefits will not be sustained when AID's resources are withdrawn (item 1-c). At this stage, it would be extremely valuable to ask why and document the responses.

It is important to distinguish between extensions spread and replication potential (item 1-d). Backward and forward extensions (i.e., other development activities in the project area might occur as a result of project activities. Spread concerns a project development strategy being picked up in other locations without further Agency assistance. Hence, spread will be a function of the appropriateness of the development strategy, its costs and communication. Replicability concerns the potential of AID to introduce a development strategy in other locations. In some real sense, spread potential is limited by host country resources while replicability potential is limited by AID resources. But they are linked concepts: A project that does not appear sustainable will not be attempted by others. It is in these terms that the phrase cost-effective is employed.

Extensions are most likely to occur through small farmer organizations. Indicators of spread potential can be drawn from the diffusion literature and by measuring obvious constraints, such as

"up-front" costs, projected rates-of-return, and cultural/political barriers. Replicability is dependent upon a workable Agency development strategy that commands sufficient monies, manpower, and time to apply it in a manner providing a targeted level of benefits to a targeted number of people. The collection of benefit data, project cost information, specific manpower requirements, and the time needed to obtain self-sustaining benefits should permit an accurate assessment of a strategy's replicability potential.

2. As Regards These Strategies, What Is AID Doing Well, Poorly, And Why?

We come now to the diagnostic element of the cross-cutting issues. It should be emphasized that meaningful attention cannot be focused here without good information on project success as described above, just as a doctor can hardly diagnose a disease without a manifestation of symptoms. In short, the primary focus should be the collection of comparative data on project impact; in doing this reasons or at least hypotheses for differing kinds of project impact will present themselves.

Over the last few years, AID and other major donors have spent considerable sums of money to determine why past development efforts have failed. By now the litany of these failures is well-known: nonsensical development strategies; failure to customize whatever interventions were attempted to local conditions, no attention to distributional effects, too much outside money up front, and no consideration given to how project benefits would become self-sustaining. Similar hypotheses should be proposed to determine why current projects have, or are likely, to, fail.

Another extremely important, unresolved issue of Agency-wide importance which these functional studies could address concerns project implementation. For many years economists and agriculturalists have dominated the development field with each manifesting glaring deficiencies. Economists have studiously avoided intellectual and physical proximity to "field situations" preferring instead to reside in the Ministry of Finance or the Planning Agency, and hence, have never had a feel for what it takes to get things done. American agriculturalists have been insensitive to local physical, and social cultural constraints while at the same time being remarkably insistent on imposing American technologies wherever they go. Meanwhile, incentives within AID and other major donor agencies for good implementation work, as distinct from getting funds programmed, have been notably absent. Recently, some concern for the problem has been registered

by incorporating ongoing monitoring and evaluation systems into new project designs, but little has yet resulted from these efforts. In short, a good a priori case can be made for the proposition that inadequate attention has been given to problems of project implementation.

The identification and documentation of implementation problems is the first step towards their resolution. The following implementation issues should be emphasized in this effort: timing, expatriate personnel, host country collaboration, participation, and communication.

a. Timing

Timing is both a cause and derivative of other implementation problems. Project designs are nearly always overly optimistic in terms of how long it will take to get project implementation activities underway. One might wonder if it hurts that everything slides a bit. The answer is that it does at a number of levels. At the macro level, donors plan to disburse specific amounts of resources to the developing world on an annual basis. When these disbursements fall \$1 billion or so behind projected levels, serious problems can develop, particularly when disbursements are related to national development plans and debt servicing needs. At the micro level, serious problems also emerge. There is not point in sending a professional staff to the field before essential logistical supports (such as housing in the project area or equipment) are available. Aside from questions of pure logistics, the "process approach" to development, now being field tested as a means to realize "New Directions" objectives, has a time phasing requirement for activities. In essence, the target population should be involved in project decisionmaking, and clearly, a lot of project activities violate the spirit and letter of this approach since in the early stages of implementation, it takes time to bring the target population into decisionmaking in a meaningful manner.

There are a number of reasons why the timing specified in project papers turn out to be wildly optimistic. Firstly, there are pressures imposed by the project approval process to accomplish certain activities within a given time frame, rather than to provide documentation on what can be expected within given time frames and make the appropriate legislative changes. Beyond the political pressure, there is no empirical base on timing that attempts to separate those delays about which something can be done from those which represent intractable problems. If this were done, one can guess that procurement and transport delays would come out at the top of the list of problems about which something can be done. Of course, we should not hope to guess.

More accurate information on timing is essential if a sensible schedule for evaluations is to be developed. At this point, there is no information on how long one should reasonably expect to wait before seeing evidences of project benefits. There is clearly a time phasing or gestation period as projects move from resource delivery to outputs to benefits to ultimate impact, and the scopes of work for evaluations should be geared to where the project is in the gestation phase; looking at it the other way around, evaluations should not take place until there is a reasonable expectation of seeing some results.

b. Expatriate Personnel

A second major implementation problem relates to expatriate personnel. People working in the project areas frequently have to endure incredible hardships, both physical and mental in nature, and a dropout rate of at least 40 percent should be expected, even where recruiting procedures are excellent. Personnel problems of that sort can cause significant delays, and more importantly, can cause wounds to develop that are difficult to mend. Part of this problem is attributable to the procedure the Agency employs in selecting a contractor to manage projects. The major firms seeking project implementation contracts all have personnel branches that attempt to get exclusive commitments from individuals for their proposals. As one might expect, this frequently means that the best-qualified individuals for the project will be spread among several competing contractors. By selecting one contractor, the Agency ends up with a less-than-optimal personnel mix. Given the problems of conducting competitive bidding in any other manner, one might choose to stick with the existing system. However, the issue is worth some attention.¹

c. Collaboration

Development specialists have debated extensively the desirability of host country collaboration and participation. Unfortunately, these discussions have been naive and have rarely come even close to addressing the realities of the situation. The result has been unexpected problems at the implementation stage.

¹ When this issue is considered, attention should be focused on the relative importance of the qualifications of individual team members as against team cohesiveness and development philosophy. Currently AID emphasizes individual qualifications.

Consider first the meaning of host country collaboration. The phrase suggests a "we-they" situation that should be converted into a "together" situation. In reality, there are normally at least five major players in every project, each having its own separate agenda. These groups include: AID/Washington, the AID Mission, host country central government, host country local community, and a U.S. contractor. Within each of these groups, there can be individual factions with disagreements that can even be greater than the inter-group differences. These conflicts are inevitable and some are intractable¹, but that does not mean there are not better and worse ways to deal with them which should be documented by research.

d. Participation

Nearly everyone applauds the movement encouraging local participation in development activities, but few people have taken time to spell out what that means operationally. In a recent study,² Development Alternatives defined participation by two separate activities: involvement in decision-making (both project design and implementation) and a resource commitment by project participants. The study argued quantitatively and qualitatively that both forms of participation were important for project success. However, that study did not develop operational guidelines of how to bring about either form of participation. The firm is currently working on the question of who should participate, i.e., can you ignore progressive farmers, the local power structure, and limit participation to poor farmers, and if so, at what cost? The various meanings participation may take are elaborated on further in a current study at Cornell University, but again, the operational implications are missing.³

¹For example, few host country governments, not to mention AID missions, will find the distributional emphasis of "New Directions" to their liking. To take another example, AID missions will not understand why all contractor personnel are not instantly available for work in the project area and the contractor will consider personnel demands of the AID mission to be unreasonable.

²Elliott R. Morss et al., Strategies for Small Farmer Development, two vols. (Boulder, Colorado: Westview Press, 1976).

³Norman T. Uphoff, John M. Cohen, and Arthur A. Goldsmith, "Feasibility and Application of Rural Development Participation", Rural Development Committee, Cornell University, Monograph No. 3, 1979.

e. Communication

The last area of implementation problems to be addressed concerns intra-project communication. Good managers quickly identify information needed to make decisions and find ways to obtain it. In project implementation there are numerous factors that prevent this from happening smoothly, such as geographic distances between project headquarters and project activities, and bad transportation and communication facilities. If the project staff agrees how project activities should be carried out, these problems need not be a serious barrier to sound and coordinated implementation efforts. But this is rarely the case. Project staffs have infrequently spent any time together before they are sent to the field, and there is no reason to believe they share the same development philosophies. Even if they do, the problems they will face in the field are likely to be sufficiently unique and complex that well-intentioned individuals will come up with different solutions. Unresolved differences of opinion, which, in formal circumstances are resolved through dismissals, are frequently allowed to develop into unhealthy intrigues in projects where the dismissal rates are exceptionally low.

While problems with intra-project communication can be severe, problems of communication between the project and other actors are frequently even more serious. Here, it is important to distinguish between differences that stem from incomplete information and those that would exist even with all parties possessing complete information. The former type of problem is often found to exist between AID/Washington and the mission; incomplete information also leads to confrontations between the field teams and the home offices of contractors. Some argue that inasmuch as the field is closest to development realities, decision authority should be ceded to the field. On the other hand, empirical evidence indicates that field teams have not exactly distinguished themselves by finding innovative solutions to field problems that are consistent with project development objectives. What is clear is that a lot of serious, irrelevant arguments have developed because one or more sides have information gaps.

There is growing evidence to suggest that the social and economic effects resulting from an outside intervention cannot be totally anticipated in advance. This finding argues for considerable flexibility in project design, and limited progress along these lines is now being made in AID project

designs. It should be noted that flexible designs do not necessarily lead to flexibility in project implementation. Here, it should be recognized that project management units are small bureaucracies with activities that tend towards self-perpetuation, regardless of whether they are beneficial or destructive.

It is time to stop listing potentially significant implementation problems. The point is that they have all been generated from a data base of about two projects. Nobody is doing empirical research on this subject.

3. Are "New Directions" Objectives Reasonable?

When a fundamentally new approach to resolving development issues is attempted by the Agency, the question must be asked if the approach is reasonable. The following quote is offered as a reminder of a view yet to be tested empirically:

The question needs to be raised if actions taken to reduce income inequalities necessarily improve the lot of the poor in the long run. The validity of this proposition cannot be taken for granted. Thus, we find that countries, such as Argentina and Uruguay in Latin America and Sri Lanka and India in Asia, which adopted egalitarian policies have experienced low rates of economic growth and very slow improvements, if any, in the living standards of the poor.

The experience of these countries may be contrasted with that of Hong Kong and Singapore, and subsequently Korea and Taiwan, whose policies oriented towards rapid economic growth have brought substantial increases in the income levels of the poor. In Korea, for example, it has been shown that during the 1964-1970 period, the per capita incomes of the poor, whether measured as the lowest decile or lowest four deciles of the population, increased by 58%, i.e., at the same rate as average incomes.¹

A simple reminder might go as follows:

Two questions in response: one empirical, the other normative/developmental. The empirical question refers to Taiwan. Is it not true that Taiwan has achieved a rapid economic growth rate in the last decade or so through a developmental strategy emphasizing, at least in the agricultural sector, small farmers? The normative/developmental question refers to the use of indicators of development. Why

¹Bela Balassa, "The Income Distribution Parameter in Project Appraisal", reprinted from Economic Progress, Private Values, and Public Policy (North Holland, 1972).

do we insist always on measuring development in terms of growth in per capita income, rate of gross capital formation, aggregate output, etc., especially when we know how unreliable these data are in developing countries? Why don't we ask ourselves instead what are the "Motors" of development: what conditions need to be brought about in order for development to occur? Then, we might measure development in such terms as decreases in the population growth rate (in most countries), increases in the number of market towns, increases in literacy or education, opportunities for larger numbers of people to influence political/economic decisionmaking, and structural changes in the international economy that favor the terms of trade of development countries and make them more attractive to investors.¹

Paradoxically, these policy questions are rarely examined in a careful, systematic fashion. Such an examination should start from a project level data base that would permit inter-project comparisons.²

4. Are There Ways in Which Existing Foreign Assistance Legislation Could be Revised to Facilitate Attainment of the "New Directions" Objectives?

While AID should make every effort to realize Congressionally-mandated objectives, the Agency also has a responsibility to point out where specific legislative requirements stand in the way of achieving these objectives. While Congress' right to attempt to realize a large number of purposes through foreign assistance cannot be questioned, Congress should be made aware of where it is that conflicts do exist. By the same token, AID, in attempting to implement the "New Directions Mandate", is undoubtedly learning better and worse ways to proceed. This information, both the negative and the positive, should be collected and presented to Congress in an appropriate form.

SUMMARY COMMENTS ON RESEARCH METHODOLOGY

Whatever subjects the Office of Evaluation chooses to study, field research is imperative in order to get a reliable picture of what is actually happening and to affect policy. Assuming the Office is committed to this approach and has the resources to undertake it, it should be stressed that field research will uncover data that can be compared, but only by applying a rigorous research methodology. To

¹Craig Olson, unpublished essay, 1979.

²For a further discussion of this matter, see Elliott R. Morss, "Measurable Development Results of the Last Quarter Century: Do They Have Policy Implication?" Discussion Paper, Office of Evaluation, June, 1979.

collect comparable data from different projects will take a lot of field data work, a lot of drudgery, a lot of technical detail, and a lot of discipline. Before moving into the process to be employed to develop field data collection instruments, several things should be kept in mind.

1. Data collection of the sort contemplated is terribly expensive; most data collection documents are far too ambitious in light of available resources and actual data needs.
2. No work should start on the data collection document until a conceptual frame outlining precisely how the data are to be used is set out. This conceptual frame should delineate information needs into component parts and indicate how the collected data are to be analyzed.
3. If field data are to serve an analytical purpose, as distinct from being purely descriptive, the data should be structured in terms of dependent and independent variables. In the context of these studies, project impact would be dependent variables with endogenous and policy parameter variables as independent variables.
4. Resist the urge to complain about excessive rigor in the data collection document: Rigor reduces data collection needs. Moreover, by trying to be excessively rigorous, one learns far more about a project than if one sets one's sights lower. One can always develop and use information scales later.
5. For the sort of data needed, field collectors will be involved in numerous judgments. To minimize misinterpretations of what is wanted, the field collectors should sit together to construct the collection document. This is particularly important in this case where comparative analysis is to be performed.
6. The need for significant changes will appear during the first field effort to use the instrument; time for such revisions should be programmed before the next field trip.
7. Selecting the right indicators to collect information on is truly an art form. It always represents a compromise between what one really wants and risking that what one can collect at reasonable cost may serve as proxies for the former. A good data collection instrument for these studies will include fall-back proxies for indicators that might run several layers deep.