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Development Experience Reviews

Findings From the Impact Evaluations of A.I.D. Policy Reform Programs in Africa

By Joseph Lieberson, Center for Development Information and Evaluation

The 1980s was the "lost decade" for many African countries. These countries faced a sharply changed economic environment; the favorable price and demand relationships of the 1960s and 1970s disappeared. Over the years since their independence, most African countries had developed an array of regulations, controls, and subsidies whose inappropriateness was made painfully apparent during the period of economic decline. International donor organizations, as well as the African governments, realized that these policies had to be changed. Moreover, the countries needed to institute a package of incentives to restructure their economies to deal effectively with the new economic environment.

Since 1985, the Africa Economic Policy Reform Program (AEPRP) has become the centerpiece of A.I.D.'s efforts to help African governments restructure their economies. From FY 1985 through FY 1990, A.I.D. committed $313.4 million to policy reform programs in 19 African countries.

During 1989 and 1990 A.I.D.'s Center for Development Information and Evaluation (CDIE) and the Africa Bureau jointly evaluated A.I.D.-supported reform programs in six African countries (Mali, The Gambia, Senegal, Cameroon, Uganda, and Malawi). These country case studies provide an assessment of the impact and effectiveness of A.I.D.'s policy reform efforts. However, since many of the policy reform programs have been operating for only a few years, it is too early to make a definitive judgment on their long-run developmental impact. Nonetheless, the evaluations provide a "report card" of progress to date and ideas and insights on how to improve the developmental impact of future policy reform programs.

Summary of the Reform Programs

The reform programs covered a broad range of sectors and subsectors. While the areas of reform are not directly comparable between countries, they all involve the introduction of change in key economic policies in sectors critical to economic growth. The individual country reforms included the following elements:

- In *Cameroon* and *Malawi*, the reforms liberalized the fertilizer market by providing fertilizer on a timely basis and at a reasonable cost to farmers. In Cameroon this meant the establishment of a private, competitive fertilizer market with a phase-down of government subsidies. In Malawi the program was designed to reduce the fertilizer subsidy and reduce foreign exchange costs by importing a higher value fertilizer.

- In *Mali* the reforms moved the Government away from its centralized statist economic approach to a less regulated economy with an improved private sector climate and improved public sector efficiency.

- In *Senegal* the reforms were designed to increase the competitiveness of the private industrial sector and to improve the efficiency and equity of the tax system.

- The *Gambia* program was designed to encourage greater private sector involvement in agriculture marketing and investment, while sharply reducing government regulation of agricultural and financial markets.

- In *Uganda* reforms focused on the foreign exchange system and were designed to encourage private sector, nontraditional exports.

Major Evaluation Findings

The six A.I.D.-supported policy reform programs were generally successful, though in most cases the reforms took longer than expected and many objectives were not fully achieved at the time of the evaluations. The main findings include the following:

- The removal of price and market controls generally had an immediate and positive impact as prices declined and goods became more readily available. The only disappointment was the hesitancy and reluctance of the private sector, in some cases, to take full advantage of new investment and market opportunities. The uncertain political environment and uncertainty surrounding the sustainability of the reforms put a damper on long-term investments.

- The elimination of subsidies and industrial protection spurred productive efficiency but required some painful adjustments for firms that had previously been subsidized or protected from competition.

- Although the removal of import and export controls helped improve efficiency, it was not always matched by a reduction in government bureaucratic and administrative delays (e.g., ministry approvals, clearances, permits).

- The elimination of monopolies held by state-owned enterprises opened markets and allowed the private sector to compete and deliver goods at a much lower cost. The problem of interlinked markets (where the government still applied controls) and inadequate business infrastructure hampered the effectiveness of the reforms.

- Tax reforms to improve economic incentives and the efficiency of tax collection and civil service reforms appear promising though results are uneven. The reforms have only been in place a short time, and it is probably too early to determine major and sustainable results.

- Programs that developed the internal policy reform capacity of the host country helped build long-run policy reform sustainability. To build that capacity, the most successful A.I.D. programs provided policy-based technical assistance.

- Contrary to previous views that policy-based nonproject assistance was an easy way to provide assistance, with minimal staff burden, the evaluations found that policy reform programs require large analytical staff input from both A.I.D. and the host government.

A.I.D. Evaluation News

Randal Thompson—Editor
Farah Ebrahimi—Assistant Editor
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- Policy reform involves a highly complex set of political, economic, and social changes with winners and losers in both the public and private sectors. Those that stand to lose will oppose the adoption of the changes and during implementation will work directly or indirectly to negate the reforms. Thus, reforms are not just a set of technical plans to be processed mechanically; A.I.D. must carefully consider the costs of adjustment and analyze thoroughly and be prepared to deal creatively with the sociopolitical effects of the changes it is supporting.

Lessons Learned

The major lessons learned that to date have emerged from the evaluations are as follows:

- *A.I.D. should put its time and energy into the development of analytically sound reform programs and worry much less about the type or form of assistance it provides.*

In the six policy reform programs, A.I.D. provided resources through a variety of mechanisms—cash transfers, commodity import programs (CIP), and PL 480 agreements. The impact of the reforms was dependent on the host government's ability to successfully adopt and implement the new policies, not on the form of A.I.D. assistance. There was little difference between the reforms in Uganda (with a CIP and PL 480) and those in the other countries that used cash transfers.

- *The development of the host country's internal policy analysis capacity is important for long-run sustainability of policy reform.*

The Gambia, Uganda, Cameroon, and Senegal programs all included technical assistance, designed to improve the host government's capacity to develop and implement policy reform programs. The evaluations found that policy reform is a continuing process requiring constant monitoring and adjustment as the effects of each new policy emerge. The developing countries needed to develop their own internal capacity to analyze and to set their own policy reform agenda; A.I.D. technical assistance can help develop that capacity.

- *Policy reform programs require intensive use of highly skilled professionals.*

Such programs require technical, economic, social, political, and institutional analysis in the planning stage and during implementation if they are to successfully support necessary institutional changes. Consequently, policy-based program assistance may require even more staff time than project assistance.

- *When planning reform programs in the future A.I.D. must consider the likely impact of the reforms on institutions and individuals and must build into the program design a monitoring and impact assessment system that will help the reformers respond to political economy issues that arise during program implementation.*

All of the evaluations found that success was critically dependent on support from key elements in the host country. While the reform measures were of a technical nature (prices, interest rates, subsidies), the results were not merely technical but affected economic and social interests as well. The reforms were designed to change structural relationships, which meant differing impacts on different institutions, individuals, and interest groups. This political economy aspect of policy reform was critical to the success of program efforts.

- *A.I.D. must consider the costs of adjustment and should consider measures to help ease the transitional pain for those most severely affected by the reforms.*

Policy reform means economic adjustment and dislocations that generate social and personal costs. Mali was the only one of the six country programs that included specific measures designed to soften the adjustment process. The Mali program included a sizable reduction in civil service staff. A.I.D. helped displaced bureaucrats move to the private sector by funding business training courses, severance payments, and a new enterprise loan fund.

- *As an interim step to a private sector solution, A.I.D. should have the option of working to improve the efficiency of parastatals.*

In order to focus its efforts on the private sector, A.I.D. has a firm policy prohibiting assistance to or through parastatals. In The Gambia, with a very small and embryonic private sector, it might have made more sense to try and improve the efficiency of the public sector while also laying the groundwork for a more viable private sector environment.

- *A.I.D. must work closely with other donors at all stages of a program because although donors generally agree on an overall development approach at high-level meetings, problems usually arise after individual projects have been approved and during project implementation.*

At donor consultative groups, the donors always speak of their shared approach to development and

the need for donor cooperation. In practice, however, donors may have a conflicting approach to development. For example, in Senegal, A.I.D. encouraged tax reforms (lower taxes) to improve economic incentives while the IMF pushed a program to raise government revenues (higher taxes). Also in Senegal, A.I.D. pushed to remove protection from inefficient industries while the French Government was concerned about the viability of Senegal's French-owned businesses. In The Gambia, A.I.D. had an interest rate policy that was very different from that of the IMF and World Bank—A.I.D. encouraged the cooperative to raise interest rates while the IMF/World Bank did the opposite. Similar problems developed with subsidized project credits provided by the African Development Bank and the International Fund for Agricultural Development.

- *Data collection and analysis must be included at an early stage in the design of a policy reform program.*

The evaluations noted the importance of baseline data collection and monitoring. Such programs need an information system to measure progress and impact, and to provide input for the ongoing redesign of the reform effort.

- *A.I.D. should provide its funds to the public or private sector at the free-market rate, not at the subsidized foreign exchange rate.*

The Uganda program was the only country program to use a CIP. A.I.D. funds were provided at the official exchange rate, whereas the parallel rate was much higher. Importers were eager to receive a CIP allocation, since imports were scarce and they were receiving cheap foreign exchange. Since A.I.D. is interested in promoting market-based solutions and eliminating subsidies, it should not administratively allocate subsidized resources.

One of the surprises of the reform process has been the apparent failure of the reforms to stimulate private investment. Africa Bureau economist James T. Smith offers two possible reasons for this failure. One is that private investors have become so accustomed to a rapacious bureaucracy, policy flip-flops, and political instability that they are cynical of any apparent reform. Thus, they continue to move their capital abroad or to engage only in short-term, relatively high-return investments. The alternative hypothesis states that although incentive structures have improved, undeveloped public infrastructure and inadequate provision of other public goods have severely restricted profitable private investment opportunities.

If the first hypothesis is correct, there is probably relatively little that foreign assistance can do to restore private investor confidence in the short run. However, if the second hypothesis is correct, that there are significant constraints to growth due to the lack of public infrastructure, then there is much that a foreign donor can do. There is also much that can be accomplished by getting governments out of activities that produce private goods and allocating their resources to the provision of public goods that will improve the business climate.

Further information about the policy reform evaluations, as well as copies of the reports, can be obtained from Joseph Lieberson, Agency for International Development, PPC/CDIE/PPE, Room 200, SA-18, Washington, D.C. 20523, (703) 875-4875.

PVO Cofinancing Projects: Lessons From Latin America, the Caribbean, and Asia

The Development Information Division of the Center for Development Information and Evaluation (CDIE/DI) recently reviewed A.I.D.'s experience with PVO cofinancing projects in order to make recommendations on more effective design and management strategies for such efforts. This article, based on a report written by Cheryl Valdivia of CDIE/DI, summarizes that experience in Latin America, the Caribbean, and Asia. Included in the study are reviews of cofinancing projects in Guatemala, Honduras, Costa Rica, Bolivia, Haiti, Sri Lanka, Indonesia, Thailand, and the Philippines.

Private voluntary organizations (PVOs) have historically played a key role in U.S. foreign assistance. In FY 1989, for example, A.I.D. allocated almost $456 million in grants and contracts to PVOs. PVO cofinancing projects are an important subset of all PVO projects. In these projects, pioneered in Indonesia in 1974, the PVO or host government must contribute at least 25 percent of the project funds from non-A.I.D. sources. Moreover, the PVO involved in a cofinancing project often plays a significant management role by disbursing and monitoring subgrants for smaller indigenous PVOs (IPVOs) within the country, as well as by providing training to these PVOs. Although in the past most PVO cofinancing projects involved U.S. PVOs or larger IPVOs, these projects are now being implemented by a growing number of medium and small IPVOs.

A.I.D. favors PVO cofinancing projects because they shift project responsibilities from A.I.D. Missions to the PVOs themselves, help develop local institutions, and involve beneficiaries in their own development.

Cofinancing projects also allow, under a single mechanism, diverse interventions, including microenterprise development, education and training, income generation, health improvement, and rural development. The decision to allocate more cofinancing funds to smaller community-based IPVOs fulfills A.I.D.'s commitment to involving beneficiaries in their own development, but has in some cases increased A.I.D. management responsibilities.

Management Options

PVO cofinancing projects can be designed with a variety of financial and management structures. Grants can be provided (1) to U.S. PVOs for project operations; (2) to IPVOs for project operations; (3) to U.S. PVOs for capacity building of IPVOs and for issuing subgrants to IPVOs; and (4) to larger, more experienced IPVOs (often referred to as "intermediate IPVOs") for capacity building of smaller IPVOs. In the first and second models, A.I.D. monitors directly each PVO or IPVO involved in a PVO cofinancing project and supervises the entire project cycle. In the third and fourth models, the U.S. PVOs or IPVOs are "umbrella organizations" that assume management responsibilities for all or part of the PVO activity supported by a Mission. In the fourth model, an A.I.D. Mission makes a block grant to the intermediate IPVO, which, in turn, makes subgrants or loans to smaller IPVOs for their proposed activities. Because the intermediate IPVO is registered with A.I.D., it can oversee and monitor the project implementation activities of the subgrantee IPVOs, which need not be registered. Umbrella organizations often provide technical assistance and training to affiliate PVOs. All of the PVO cofinancing projects reviewed in Guatemala, Honduras, Costa Rica, and Bolivia financed intermediate IPVOs, which serve as umbrella organizations. The PVO cofinancing projects reviewed in the other countries incorporate several of the other models.

Selecting a PVO Cofinancing Model

When establishing a PVO cofinancing project, an A.I.D. Mission must decide which of the above models is most appropriate to the local country conditions and the project objectives. The desire to accomplish project activities expeditiously must be weighed against the goals of institution building and the issue of long-run sustainability of subprojects, both of which are often enhanced when a Mission supports an indigenous umbrella organization. A Mission decision to directly monitor PVO projects must consider the ability of the A.I.D. staff to supervise a diverse group of PVO projects whose activities are located in rural areas. The relationship between the A.I.D. Mission and U.S. PVOs versus IPVOs must also be taken into consideration. Moreover, the realism of each model must be measured against the political situation and the willingness of the host government to tolerate a strong IPVO presence or to allow U.S. PVOs adequate scope.

Subproject Selection

Once the basic cofinancing model is selected, A.I.D. Missions must develop approaches to and criteria of subproject selection by considering several trade-offs. As illustrated by the PVO cofinancing projects reviewed, subproject selection can be totally delegated to an intermediate IPVO, handled by the A.I.D. Mission, orchestrated by the host government, or carried out in a collaborative mode between these parties. When subproject selection is delegated to an intermediate IPVO, the actual selection can be handled by the umbrella IPVO or member PVOs themselves, or it can be handled by an independent board. When making a decision regarding subproject selection, the A.I.D. Mission must consider the capacity of the intermediary IPVO to absorb and disburse large block grants, to monitor and evaluate its activities and those of subgrantees, and to develop effective relationships with subgrantees, and with the host government.

Furthermore, the Mission must establish guidelines for the types of subprojects to be funded, especially if a Mission allows one PVO to assume the oversight function. In this context, the A.I.D. Mission must be cognizant that selection structure can also affect the types of subprojects selected. For example, in Costa Rica, the Mission created ACORDE, a foundation funded through an A.I.D.-established endowment, to supervise all PVO cofinanced subprojects. ACORDE's Board of Directors, composed of members outside the PVO community to ensure impartiality, selects subprojects for funding. The Board has given funding priority to productive, rather than social, projects and has made no effort to fund innovative ideas proposed by fledging local PVOs, an effort that would have strengthened the IPVO community, an important goal of umbrella organizations. The Board's neglect of social projects appeared to derive from its lack of understanding of the broader developmental objectives of PVO development, illustrating that the criterion for impartiality must be weighed against the criteria of shared knowledge and commitment.

In contrast, PROCOSI, an intermediary IPVO working in child survival in Bolivia, ensures that all its member PVOs receive funding. This approach has ensured funding of subprojects managed by small PVOs entering the system and funding of innovative projects proposed by PVOs, both important criteria for

a strong PVO movement. It has also helped to avoid dissension among its members. Likewise, in Guatemala, ASINDES, an umbrella organization of IPVOs, has a project selection committee composed of nonmembers who nonetheless have adopted equitable funding practices. The committee has allocated 40 percent of the grant funds to social service projects, 50 percent to productive projects, and 10 percent to beneficiary training.

An A.I.D. Mission must consider the pros and cons of including itself in the subproject selection process. The advantages of quality control enhanced by A.I.D. involvement must be weighed against the objectives of PVO institution building and Mission staffing constraints. In Honduras, some of the PVO members of the umbrella organization, FOPRIDEH, were concerned that the representational function of FOPRIDEH would be threatened by the involvement of the Mission in subproject selection. Over time, the PVO developed a commendable selection capacity and the Mission relinquished veto power over them.

Another issue that must be considered when establishing the framework and procedures for subproject selection is the attitude of the host government toward PVOs. Often, governments feel threatened by the development of a potentially powerful nongovernmental movement. Such a negative attitude can sometimes be mollified by including the government in the subproject selection process or by strengthening PVOs through support for consortia of PVOs to enable them to stand up to government pressure. For example, ASINDES in Guatemala is a membership organization formed largely to strengthen the PVO community's position in dealing with a suspicious government. In Indonesia, the antagonism of the government to the PVO movement has been a major issue throughout the development of IPVOs. Consequently, U.S. PVOs are often employed to channel subgrants, especially for projects stressing democratization, human rights, and social justice. Indigenous and preferred PVOs are then employed to provide technical assistance. In a country in which government distrust of private-sector-led development runs high, however, A.I.D. must be careful not to maintain a high-profile attachment to an IPVO if that attachment threatens the IPVO's and its affiliates' success and survival.

As stated earlier, governments can be supportive when they have a stake in a project's success. For example, in Sri Lanka, PVO applicants submit proposals through the concerned government ministry to A.I.D. for review. Likewise, in the Philippines, government support has been vital to facilitating PVO outreach to rural areas. In each case, government scrutiny of PVO activities must always be weighed against the benefits of PVO autonomy. But, in general, government support for at least the basic right of PVOs to be autonomous organizations should be fostered in order to ensure the survival of projects.

Issues of sustainability must also be dealt with when establishing subproject selection criteria. In general, priority should be given to subprojects that include plans for generating future financial income or support. Loans are often the preferred approach to ensure sustainability whenever feasible, since they require that the (affiliate) PVO plan a method for future income generation (grants go to umbrella PVOs who often loan to affiliate PVOs). Moreover, during the process, IPVOs can facilitate sustainability by linking beneficiaries to formal sources of credit rather than merely providing credit themselves; by improving the technical efficiency and productivity of beneficiary activities rather than providing financing for their inputs; and by linking beneficiaries to available technical assistance rather than providing such assistance.

Monitoring and Evaluating Subprojects

Monitoring and evaluation requirements of PVO subprojects must take into consideration the capacity and staff experience of IPVOs and umbrella organizations, as well as the complexity of the projects and programs they manage. Most PVOs and PVO consortia need A.I.D. support to develop specific monitoring systems and evaluation standards to assess the performance of their projects. For example, with A.I.D. assistance FOPRIDEH has developed a manual for prospective subgrantees describing monitoring procedures and requires a monitoring plan before a project agreement is signed. FOPRIDEH has a monitoring and analysis department whose staff prepares project monitoring plans, visits sites, and develops monitoring systems.

In particular, umbrella organizations must be able to analyze their own financial performance, as well as the performance of the PVOs they assist. To do so, they need not only financial management systems but also appropriate training and follow-up activities for improved financial accountability, important for fundraising initiatives and donor support.

Several evaluations of PVO projects pointed out that evaluation criteria should include developmental institution building, empowerment of local peoples, and sustainability, in addition to standard quantitative impact measures, such as increased income and productivity.

Providing Technical Assistance and Training

Before engaging an umbrella organization to provide services and channel funds to small PVOs, A.I.D. must ensure that the organization has the capacity to carry out those tasks. In Costa Rica and Guatemala, A.I.D. contracted the services of PACT, a U.S. PVO consortium, to strengthen ACORDE's and ASINDES's expertise in providing technical and financial assistance to PVOs. However, ACORDE was not able both to manage the subproject program and to provide institution-building services. As a result, it contracted out its training services. Furthermore, the training and technical assistance needs of ASINDES were never fully determined because of the feelings of mistrust, undeveloped sense of community, and widely diverging agendas of the member PVOs. ASINDES members needed follow-up assistance to address specific sector needs after general training seminars were held. Nevertheless, the training services offered by or through ACORDE and ASINDES were very useful, particularly those tailored to the particular needs of member PVOs. Also, organizations that assumed a representational function, like FOPRIDEH, were able to coalesce and strengthen the PVO community through the training and technical assistance services they offered. Indeed, the sector-specific training and technical assistance services offered by PROCOSI in Bolivia were considered a benefit equal to or surpassing that of its subgrants.

Finally, PVO consortia must consider the issue of sustainability, both for themselves and their associate members. For example, FOPRIDEH charges for sector-specific training and requires those trained to train others. Training in fund-raising and financial management is important because experience in these areas is useful for attracting funding from additional sources.

Impact on A.I.D. Mission Management Burden

The PVO cofinancing projects reviewed had mixed records in terms of their impact on the A.I.D. management burden. In general, in those cases in which the relations between the host government, the Mission, and the PVO were good, the burden on A.I.D. was reduced. This was the case in Costa Rica with ACORDE, where good relations facilitated A.I.D.'s plan to channel all PVO funds through the intermediary. PVOs who have built up a strong capacity to work with small- and medium-size PVOs also reduce A.I.D. management burden. Both ASINDES and FOPRIDEH have such a capacity and have relieved the A.I.D.'s Missions of outreach burdens. A.I.D. Missions may be willing to tolerate short-term increases in their management burden if their assistance is being channeled to increase the administrative capacity of the target PVOs, such that these latter can eventually completely take over management of the cofinancing project themselves.

Another article on PVO cofinancing projects published by CDIE is Pat Vondal's "Achieving Local Institutional Development: PVO Cofinancing Projects in Indonesia and the Philippines," Innovative Development Approaches *No. 2, (PN-ABC-906). Further information on PVO cofinancing projects can be obtained from Cheryl Valdivia, Agency for International Development, PPC/CDIE/DI, Room 200, SA-18, Washington, D.C. 20523, (703) 875-4850.*

Design and Evaluation Methods

Conducting Fourth Generation Evaluations: the Art of Construction and Negotiation

By Randal Joy Thompson, Center for Development Information and Evaluation

Fourth Generation Evaluation, by Egon Guba and Yvonna Lincoln, has caused a revolution of sorts in the discipline of evaluation. Breaking away from the previous three generations of evaluation, which the authors characterize as measurement-, description-, and judgment-oriented, fourth generation evaluation is based on the principle that stakeholders must jointly construct a project reality and negotiate solutions to project issues rather than rely on the evaluator to determine what has happened and what must be done. This method is particularly applicable to international development projects, because of the complex nature of these projects, which eludes a controlled, experimental framework, often assumed in standard evaluation approaches. In fact, fourth generation evaluation is growing in popularity among development practitioners and has been used to evaluate A.I.D. projects in South Africa and Malawi. (See "Field Perspectives on Evaluation" in this issue of the newsletter for an in-depth discussion of these evaluations.)

Distinguishing Fourth Generation Evaluation From Previous Evaluation Methods

Fourth generation evaluation, according to Guba and Lincoln, is based on the assertion that evaluation goes beyond science—getting the facts—to include the human, political, social, cultural, and contextual elements involved in any human endeavor. It is based on the philosophical belief that reality is not a "given" to be discovered by a detached scientist; rather reality is "constructed" by actors and inquirers who are actively involved in the object of their inquiry. These actors and inquirers each have a unique perspective, and their various perspectives must be taken together in order to obtain a full and unbiased understanding of the situation at hand. Evaluation outcomes are not descriptions of "the way things are"; rather they represent meaningful constructions of actors' attempts to understand the situations in which they act. Evaluators, therefore, are not objective outsiders who set out to discover the truth about a situation, to judge its worthiness, and to recommend actions. Instead, evaluators are facilitators who assist stakeholders to construct a shared reality about the project being evaluated, to make group judgments about project accomplishments and problems, and to negotiate solutions to the major project issues

Comparison of the Traditional Positivist and the Fourth Generation Constructivist Approaches to Evaluation

By Brenda Bryant, Creative Associates International

Focus. Customarily, an A.I.D. project evaluation from a positivist viewpoint is driven by the Logical Framework that details the objectives and outcomes that the project is designed to produce. From the constructivist perspective, the focus of the evaluation is on issues, on the concerns currently held by stakeholders. Therefore, the assessment is guided by the present situation more than by the original intent of project designers. The here and now are paramount.

Data. Positivist evaluators search for the facts and aim to get at the truth. They want to know in objective terms what has happened in the project up to the date of assessment. Fourth generation evaluators are interested in the perceptions held by stakeholders, and they want to know what people believe is currently happening. They go beyond observations to get at the meaning people attach to events. The fourth generation evaluator might present, for example, the fact that 100 individuals have been trained. The evaluator would go beyond these data to determine what the number trained means to people. For example, are 100 trained good or bad? Could or should it have been more? Did the training get results? Would different training be better? How? Is training still the solution to current requirements? And so on.

Dependability of the data. Evaluation is viewed as a science, and evaluators are required to concern themselves with standards of measurement, means of quantifying outcomes, reliability, and validity of data. Evaluation science offers strategies for ensuring that the data are dependable. The fourth generation evaluator obtains certainty largely through redundancy of information. Different sources see the same things the same way. If competing perspectives emerge in the process, then the evaluator knows that there is an issue that must be addressed by stakeholders.

Nature of the Evaluation Process. From the positivist point of view, an evaluation is a well-managed, carefully administered process of data collection, analysis, and reporting. For the constructivist, evaluation is a political process. It is filled with negotiation and facilitation; it is full of surprises, and constant interaction among players in various settings is encouraged. The process is managed to raise issues and to foster dialogue. The process is dynamic.

Conclusions. A typical evaluation ends with conclusions regarding what has happened and makes recommendations for the future. The evaluation document, itself, is given great importance because it contains data, evidence, results. A fourth generation evaluation is more likely to be viewed as a snapshot in time — a process that must be ongoing if it is to be expected to improve the program operation. Conclusions and recommendations are presented as statements of understanding regarding potential opportunities, implementation barriers, and issues that must be further negotiated in order for the program to take advantage of opportunities and reduce barriers to performance. The evaluation document itself is far less important than the process that the evaluation initiates and the process of negotiation that is sustained by stakeholders.

identified by the stakeholders themselves. Evaluators work by what Guba and Lincoln call "responsive focusing," determining what questions are to be asked and why, and carrying out the process within the "constructivist methodology," which the authors contrast with "positivism," which has underlined all of modern science. (For an explanation of positivism and constructivist, see box on page 8).

Such an evaluation methodology contrasts with first generation evaluation, which focused on measurement. The first generation evaluator was a technician who measured a variable identified by the client. Fourth generation evaluation also differs from second generation evaluation in which the evaluator described the patterns of strengths and weaknesses of a particular project or program with respect to certain stated objectives. Finally, the proposed evaluation methodology rejects the third and current generation of evaluation in which the evaluator judges whether certain project or program objectives have been met. These prior evaluation methods all erroneously assumed, the authors argue, that information, and hence findings and conclusions, can be "value free" and "true and objective."

Conducting a Fourth Generation Evaluation

Twelve steps falling within four major phases are involved in conducting a fourth generation evaluation (see box on page 10). Each phase is traversed in the spirit that evaluation is a joint, collaborative process seeking to achieve consensus among divergent stakeholders. During the first phase, evaluators identify and solicit the collaboration of stakeholders in order to introduce the claims, concerns, and issues of the stakeholders into the evaluation. During the second phase, evaluators introduce the information provided by each stakeholder group to all the other groups for comment, refutation, agreement, and the like. The third phase focuses on gathering information, which may be quantitative or qualitative, to answer the issues not resolved during phase two. During the fourth phase, stakeholder groups, under the guidance of the evaluator, negotiate and, using the evaluative information gathered during phase three, attempt to achieve consensus on disputed items. Unresolved issues are left for future negotiations or evaluations to resolve. The twelve steps are explained below.

- *Step 1: Initialing a contract with the client or sponsor.*

Fourth generation evaluation differs sharply from other evaluation methods in that the client or sponsor of the evaluation (e.g., A.I.D.) does not unilaterally determine the issues to be addressed in the evaluation. The contract gives the evaluator flexibility to consider the stated claims, concerns, and issues of a wide stakeholding audience in order to frame the evaluation.

- *Step 2: Organizing the evaluation.*

During step two, the evaluation team, which includes both methodological and substantive experts skilled in facilitation techniques, is selected and organized.

- *Step 3: Identifying stakeholders.*

During step three, stakeholders are identified for participation in the evaluation. Stakeholders are typically divided into "agents," namely those involved in producing, using, or implementing the evaluation; "beneficiaries," those who profit in some way from the evaluation; and "victims," those who are negatively affected by the evaluation. Typical agents in an A.I.D.-funded project include the actors in the A.I.D. Mission and in A.I.D./Washington, the A.I.D. contractors, and the host country counterparts. Beneficiaries are those directly involved in the project or those who will gain from the project's achievements. Victims are generally the most difficult to identify. They might comprise individuals displaced by the project activities, those left out of the definition of project benefits, those who desired the funding of alternative activities, and so on.

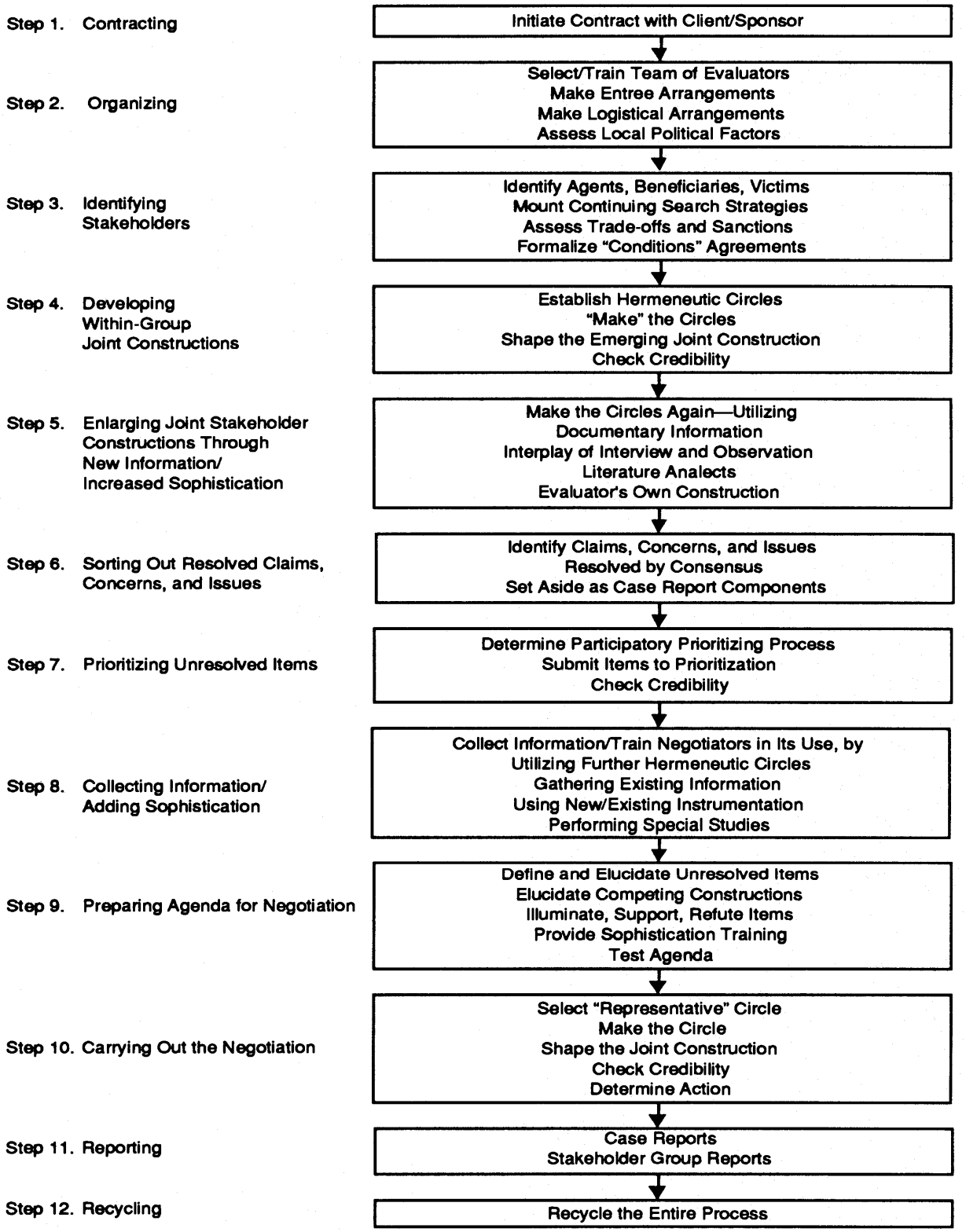
In the fourth generation evaluation, delineating the stakeholders to be involved in the evaluation, from the conceptual to the final phases, is different from the way evaluations are usually conducted in A.I.D. Generally, stakeholders are thought of only as key informants, not active participants in the evaluation. However, Guba and Lincoln contend that for the evaluation to be intellectually honest, ethically correct, and practically sound, the active participation of stakeholders is essential.

- *Step 4: Developing joint constructions.*

During step four, the stakeholders construct the project reality through a process Guba and Lincoln call the "hermeneutic dialectic"—the process by which the evaluator collects the divergent views of the stakeholders on the project to achieve a higher level of understanding of the issues involved. Through this process evaluators aim to bring the stakeholders to a consensus whenever possible or to identify issues requiring additional information and further negotiation.

The evaluator carries out a hermeneutic dialectic by creating a "stakeholder circle" for each stakeholder group identified. The evaluator creates these circles by using open-ended dialog to interview stakeholders about their perceptions of the project being evaluated;

The Flow of Fourth Generation Evaluation



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the claims, concerns, issues, and observations they may have about how the project is meeting its objectives; and the problems they considered harmful to its progress.

Each stakeholder is asked to nominate another respondent who is as different in his or her perception of the project as possible. By continuing to interview stakeholders in this fashion, the evaluator facilitates the construction of the project reality and determines where consensus exists and where further information is needed to resolve concerns expressed. As the authors note, the object of this process is to maximize the range of information collected to ensure that the perceptions of a diverse group are obtained.

- *Step 5: Enlarging joint stakeholder constructions through addition of new information.*

At this stage, the evaluator introduces into the evaluation information obtained from documents and records, observation, professional literature, and other stakeholder circles. Evaluators then introduce the project reality constructed through the document search and interviewing process into the stakeholder constructions.

All stakeholders have the opportunity to review and discuss the constructions thus made, thus enhancing the evaluation construction and building consensus among the actors involved.

- *Step 6: Sorting out resolved claims, concerns, and issues.*

Step six involves the identification of stakeholders' claims, concerns, and issues resolved through the hermeneutic dialectic process. These will be discussed in the case reports at the end of the evaluation (see Step 11).

- *Step 7: Addressing unresolved items.*

At this stage the evaluator facilitates a participatory process to set priorities for addressing items left unresolved during phase two. The authors recommend that each stakeholder group select a representative and that these representatives meet to reach consensus on which issues require additional information, which issues seem to derive from fundamental value differences, and which issues may not be resolved, at least during the initial negotiations.

- *Step 8: Collecting additional information/achieving higher sophistication.*

Step eight looks most like conventional evaluation in that the evaluator collects additional information on the contentious issues so that stakeholders may reconvene their circles to reach consensus. The evaluator may conduct additional interviews or surveys, consult additional sources of information, or tap new sources of professional literature. In some instances, additional studies may need to be completed to adequately address complex issues.

- *Step 9: Preparing the agenda for negotiation.*

After collecting additional information, the evaluator sets up a negotiation process among stakeholders on the unresolved issues and introduces the new information into the dialog. This step replaces the typical conclusions and recommendations of the evaluator. The agenda is tested by a group of stakeholders representing various circles.

- *Step 10: Carrying out the negotiation.*

Negotiation is carried out by a stakeholder circle via the hermeneutic dialectic. Stakeholders are selected by their various groups and must be "empowered" to act on behalf of their colleagues. Negotiations end when consensus is reached on each issue and a new joint construction is created, which is then tested with other stakeholders. Some issues will remain unresolved. Action on these is deferred until more information is gathered or until a future negotiation process can be held following further implementation.

- *Step 11: Reporting.*

Reports resulting from fourth generation evaluations are very different from conventional evaluation reports. They are typically case studies that enable readers to view how evaluators and stakeholders made sense of the project or the program being evaluated and why. Often several case reports are written, targeted at various stakeholding audiences.

- *Step 12: Recycling.*

Fourth generation evaluations are processes that continue as information becomes available and implementation proceeds. As a result the evaluation process no doubt is repeated again and new, more sophisticated project constructions result. As such, fourth generation evaluations never have a definite end point.

Finally, fourth generation evaluations result in the empowerment of stakeholders and enhance their commitment to the project, as well as increase their sense of responsibility for the success or failure of the project.

For further information on conducting fourth generation evaluation, see Fourth Generation Evaluation, *by Egon Guba and Yvonna Lincoln (Beverly Hills: Sage, 1989).*

Evaluation System News

Program Performance Systems Management: the USAID/ Kenya Case

By John P. Mason, Center for Development Information and Evaluation

The management and evaluation of program performance are of increasing concern to A.I.D., as Gerald Britan noted in the September-October 1990 issue of *A.I.D. Evaluation News.* This article builds on Britan's overview of A.I.D.'s new approach to program evaluation through a brief review of how that approach was applied to USAID/Kenya. While Britan's article focuses on program issues, this article emphasizes management issues, particularly as they relate to the advanced stages of assistance to A.I.D. Missions establishing their program performance information systems.

Advanced-Stage Assistance to USAID/Kenya in Program Evaluation

The Washington-based team that recently visited Kenya consisted of Cheryl McCarthy, Desk Officer for Kenya; John Mason of the Center for Development Information and Evaluation (CDIE); and Samuel Taddesse and Gail Kostinko of Management Systems International. The purpose of the visit was to assist USAID/Kenya finalize its program performance information system. It followed program evaluation work begun by the Mission and an earlier CDIE, Africa Bureau (Office of Development Planning), and Management Systems International team. The program performance information system covers the Mission's portfolios in population, agriculture, and private enterprise, as well as its targets of opportunity and special interests. The system shapes the flow of monitoring and evaluation information for decision-making purposes and assigns specific responsibility for who does what with the data and when for each Mission strategic objective, target of opportunity, and to the extent practicable, special interests.

USAID/Kenya and the CDIE Program Evaluation Pilots

USAID/Kenya is one of several Missions participating in CDIE's program evaluation pilots. Although these are CDIE pilot projects, the Africa Bureau has also been providing assistance to Missions in developing similar systems. Furthermore, USAID/Nairobi had initiated a program for upgrading its evaluation system prior to CDIE's initial assistance in developing the Mission's program logical framework. A program logical framework, like a project logical framework, organizes development interventions according to a hypothetical logic, such that "inputs" lead to "outputs" that achieve a "purpose" and a higher "goal." However, a program logical framework incorporates and organizes the sum of a Mission portfolio's project logical framework into broader strategic objectives that measure the impact of all Mission activities as a whole. As of this writing, the USAID/Kenya pilot is probably furthest along in its development.

Generally speaking, the program evaluation exercise is intended to support a more "results oriented" development assistance program Agencywide. For the Africa Bureau the usual sequencing of program evaluation assistance is as follows:

- The first evaluation team helps Missions develop their program Logical Frameworks.
- The second evaluation team helps the Mission refine the program logframe, identify indicators, and begin to build a program evaluation management information system.
- The third evaluation team focuses on integrating the different data sources into an overall evaluation management information system that is more or less ready to operate.

The pilots are directed at helping to narrow the foci of Mission leadership programs to several major areas of national development in which an A.I.D. Mission is having or can ultimately have a significant impact and in which results can be associated with specific assistance.

USAID/Kenya had defined and organized its strategic program objectives over the previous 2 years. Despite its position as only the seventh largest donor (including multilateral) in the country, the Mission had aimed its program assistance at important national targets of development. And it has determined these targets of assistance in a way that would enable it now and in the future to associate its efforts with a certain level of impact on Kenya's development.

An important lesson from the Kenya pilot concerns overall management support for the systems-building effort. First, Mission leadership has been essential in perceiving the benefit of the program performance

information system approach to defining and measuring program results. The Mission leadership also played an important part in supporting the development and implementation of this approach at all levels of Mission management. Second, the role of the Program Office was important in laying the groundwork for the logic of the Mission's goals, subgoals, and strategic objectives, and in providing guidance to the technical offices and to the Washington-based teams. Finally, each technical office further defined, refined, and finalized these goals, subgoals, and strategic objectives, and developed targets and indicators that, while ambitious, were within the management capacity of the Mission. Thus, the combined management support for the effort was critical to achieving a practical, results-based program management information system for program evaluation.

The Pilot Project in the Context of the Development Fund for Africa

The impetus for the assistance of the most recent evaluation team arose directly from the force that shaped the Country Program Strategic Plan (CPSP), namely the Development Fund for Africa (DFA). Although DFA eliminated functional accounts from A.I.D.'s Sub-Saharan Africa assistance program, thereby increasing the Africa Bureau's flexibility in programming and providing some budgetary protection, it also increased Congressional reporting requirements. The Africa Bureau must now outline its needs more carefully and must define objectives; clarify indicators; describe performance; and make appropriate linkages between sectors. The CPSP, which combines elements of the former Country Development Strategy Statement and Action Plans, performs these steps, outlining them for 5- to 7-year periods.

The latest phase in the development of the pilot program performance information system is to directly aid the Mission in monitoring and reporting both on the project-level and on higher level impacts. In the simplest terms, this means examining the existing information, monitoring, and evaluation systems, assessing the level to which they can respond to impact reporting at various levels, and suggesting how the Mission can compensate for missing elements and links.

Suggestions for Upcoming Advanced-Phase Pilots Based on the USAID/Kenya Experience

Assistance on the latest phase of the USAID/Kenya pilot is instructive for teams that will soon be assisting other Missions that are in the advanced phase of developing their management information systems for program evaluation. It is mainly in areas of team composition and interactions with Mission staff that these suggestions are relevant.

Team Composition

The presence on the team of someone intimately familiar with the USAID/Kenya program, both from the Mission operations side and the A.I.D./Washington reporting side (among other functions), was invaluable to the process of formulating the management information system. In this case, the Kenya desk officer, who had held that position for several years, had a full grasp of the Mission's entire portfolio, including programs, targets of opportunity, special interests, and projects. Furthermore the desk officer was fully knowledgeable about important Bureau mechanisms, such as funding cycles, reporting schedules, and the like.

With regard to substantive expertise, a mix of experts in population, agriculture, and private enterprise development—the three major USAID/Kenya program thrusts—proved effective. The presence of the information management specialist was clearly beneficial for advising the team on managing comprehensive information systems, accessing data, and responding to organizational questions at the program level. For each program there were conceptual matters remaining from the earlier team consultancy, especially for private enterprise, which, because it is a new strategy, required the attention of team members. In some cases more attention was given to examining data gaps, as in agriculture, and to recommending ways of filling those gaps. In other cases, effort was given to sorting out data unessential for measuring impact at the country program level, such as in population.

Much of the team's effort was devoted to providing assistance in delimiting and organizing data sets relevant to measuring people-level impact and to designing the overall system. In summary, a mixture of programmatic, substantive, and information and organization management skills on the part of team members is suggested for the advanced stage of developing a management information system.

Team Interactions With Mission Staff

The participation of the desk officer was equally important to the more direct, interactive part of the evaluation team's assistance. That desk officer's knowledge of who in the Mission does what concerning which portfolios and projects, as well as her excellent collegial relationship with those persons, were extremely useful to the team's efforts. The desk officer's participation is perhaps more relevant to larger Missions, since in smaller Missions the team works with almost all of the staff. In addition, the team also benefited from the facilitating skills of certain team members used to coordinate meetings with Mission staff.

Mission Ownership

In interactions with the USAID/Kenya staff, it became clear early on that Mission ownership of the program evaluation exercise (i.e., control of and responsibility for the program) was critical to the team-staff interactions. This view is shared by former and present Mission directors, the earlier team, and the Bureau. Clearly, Mission ownership must be introduced at the outset of the program evaluation exercise and cultivated throughout the process.

Further information on program performance systems management can be obtained from John Mason, Agency for International Development, PPC/CDIE, Room 219, SA-18, Washington, D.C. 20523 (703) 875-4972.

A.I.D. Evaluation Abstracts on CD-ROM

By Carolyn Goshen, Center for Development Information and Evaluation

Increased access to A.I.D.'s Development Information System (DIS) will soon be available through a new product of CDIE's Development Information Division, CD-DIS, a CD-ROM disk version of the major DIS databases. The CD-ROM medium appears to be the answer to requests from A.I.D. Missions and contractors for direct access to the DIS document and project databases. On-line search of the DIS is currently only available via public terminals in the A.I.D. Development Information Center in Rosslyn, Virginia, via personal computer in A.I.D./Washington offices, or by request to CDIE's Research and Reference Services staff. Local use of CD-DIS will require only an IBM-compatible personal computer with an available expansion slot and a CD-ROM disk drive. The latter can be an internal or external unit, usually costing around $600.

Included on the disk are citations to 10,000 evaluation, audit, and final reports contained in the DIS, most of which are abstracted. Also included on the prototype are citations to 55,000 additional A.I.D. project and technical documents, descriptions of 7,000 A.I.D. projects, the catalogs of the USAID/Cairo and USAID/Quito information centers, and the full text of several volumes of the FY 1991 *Congressional Presentation.* A.I.D. document and project information primarily focuses on A.I.D. activity since 1974.

The high-density storage capacity and durability of the CD-ROM also make it an ideal means of disseminating DIS databases and the full text of related documents. The CD-DIS prototype, while seeming to contain a large amount of information, actually uses only one-third of the 5¼" disk capacity. The available space may be used in future versions of the disk to include the full text of selected documents, such as the more than 200 evaluation reports published by CDIE. Currently, the full texts of documents cited in the DIS are available in microfiche or on paper, but these must be obtained as a separate step in the document retrieval process.

While the target audience of CD-DIS include A.I.D. Missions and contractors, the disk will also be made available to other donor agencies, universities, private voluntary organizations, and others active or interested in A.I.D. projects, including host country institutions. A 1-year subscription will include the initial disk and quarterly updates. Non-A.I.D. users will be asked to pay for the disk on a nominal cost-reimbursement basis.

Anyone interested in viewing and evaluating the prototype is welcome to contact Lee White, Deputy Director, CDIE/DI at (703) 875-4970.

Office of Housing Holds Workshop on Regularizing the Informal Land Development Process

By Monique Cohen, Office of Housing and Urban Programs

A ubiquitous consequence of the rapid rate of urban growth of the last decade has been the emergence of informal settlements. Composed of populations that occupy unapproved units on unauthorized lots, these extensive areas of uncontrolled housing are viewed as a reaction to a regulatory environment that has restricted the supply of affordable land for housing. Informal settlements are also a response to a local government structure in which municipalities often have a mandate but few discretionary resources to guide and regulate the urban land development process. Increasingly public interest is demanding the regularization of this informal land development process, an issue that has long been of concern to A.I.D.'s Office of Housing and Urban Programs. The workshop described in this article was held to further the dialog on this important issue.

Sixty participants from the A.I.D. regional Bureaus, the World Bank, and U.S. private institutions and universities gathered in November 1990 in Washington, D.C., to take part in a workshop organized by A.I.D.'s Office of Housing and Urban Programs on regularizing the informal land development process.

The Upcoming Workshop on Cost-Effectiveness in the Nonprofit Sector

A national workshop on cost-effectiveness in the nonprofit sector will be held at Stanford University on June 27-28, 1991. The workshop, sponsored by TechnoServe and the Public Management Program of the Stanford University Business School, will provide an opportunity for donors and nonprofit managers and consultants to come together to examine and share practical methods for evaluating program cost-effectiveness, an issue of growing concern in the nonprofit sector.

Cost-effectiveness analysis is a tool with which managers can relate program outcomes to cost. Unlike cost-benefit analysis, cost-effectiveness analysis does not require the nonprofit manager to monetize program outcomes. It is therefore especially useful for nonprofit managers whose program outcomes are not easily expressed in monetary terms. The workshop will be composed of sector-specific working groups, panel discussions, and presentations by donors, nonprofit managers, and nonprofit consultants. Through panel discussions, the workshop will examine different perspectives on cost-effectiveness evaluation in the nonprofit sector, including pros and cons, donor and nonprofit viewpoints, and domestic and international experiences. Through field-specific working groups, the workshop will examine issues involved in the design and implementation of a cost-effectiveness system, and participants will learn about tools for evaluating cost-effectiveness that have been developed by nonprofit organizations working in a variety of fields.

For more information and registration materials, call or write Chris Wrona at TechnoServe, 49 Day Street, Norwalk, CT 96854. Telephone (203) 852-0377, Fax (203) 838-6717.

The workshop reviewed the experiences of developing country governments and informal sectors as they have sought to legitimize informal land development. The meeting considered the costs and benefits to the beneficiaries, both formal and informal, of regulatory reform and the roles played by national governments and local authorities as they have worked with the informal sector to implement this process.

Following an introduction by Peter Kimm, Director of the Office of Housing and Urban Programs, Henrieta Holsman Fore, Assistant Administrator of the Bureau for Asia and Private Enterprise (APRE) presented opening remarks. She emphasized the significance of this workshop as complementary to APRE's other informal sector activities, specifically the IRIS (Institutional Reform and the Informal Sector) and GEMINI (Growth and Equity Through Microenterprise Investments and Institutions) projects. Monique Cohen of the Office of Housing and Urban Programs discussed the complexities of translating the goal of regularization into workable policies.

Papers Presented

A background paper, "Regularizing the Informal Land Development Process," prepared by Mona Serageldin, Harvard University Graduate School of Design, set the framework for the workshop. The paper provided an overview of regularization policy and the elements common to the regularization process. Recognizing that the process of informal land development varies significantly by region, Serageldin presented the legal background and the evolution of land development regulations by drawing on examples from a wide range of countries. Her presentation also identified different strategies of regularization, contrasting the process of legitimizing previously owned public land with land that had been privately owned. Serageldin concluded by arguing that the problems of urban land development are inextricably tied to the problems of urban management.

Session II of the workshop, which examined the costs and benefits of regularization, began with a paper entitled "Informal Residential Land Development in Indonesia," by Michael Hoffman of the Urban Institute, and a paper by David Dowall of the University of California at Berkeley entitled, "Less Is More: the Benefits of Minimal Land Development Regulation." The dialogue focused on the need to view regularization as more than the securing of legal title to one that also encompasses security of tenure, even where owners have recognized legal, albeit customary, claims, and the provision of infrastructure and services to the informal sector. The forum also drew attention to the difference between regularization and deregulation in order to assess what standards and regulations are appropriate and the point in the development process at which regulations should be applied.

Local-Level Strategies

The theme of session III was local-level strategies for legitimizing informal land development. Albert Forsyth of the Institute for Liberty and Democracy (ILD) in Lima, Peru, explained the goals and implementation of the ILD property rights program, giving particular attention to the program's decentralization beyond Lima, including the rural areas of Peru. Discussion also focused on the sustainability of the property rights program, both in covering local land registry operating costs over the long run and the integration of the property rights program with the municipalities' responsibilities for land management. Currently, the new registries are not being used as a basis for collecting municipal property taxes.

The minimal integration of the Peruvian system of mass registration into the municipal development process contrasted sharply with the strong role played by municipalities in regularizing informal land development in Jordan. This experience and that of Monfleuri, Morocco, were explored in a paper entitled "Land Tenure in Jordan: Informal Markets and the Resolution of Problems" by Gerald Erbach of PADCO.

In her concluding remarks, Sonia Hammam, Assistant Director, Urban Policy and Programs Division, Office of Housing and Urban Programs, drew attention to the need to distinguish between inappropriate regulations and the capacity of institutions to implement regulations. In reviewing successful experiences with regularization, the workshop identified the importance of a strong political commitment and the role of outside forces, which can act as catalysts to this process, and the involvement of and participation by the community.

Conclusions and Recommendations

Among the conclusions and recommendations of the meeting was a recognition that the informal sector should not be viewed apart from the rest of the urban economy. Moreover, the approach to integrating the informal sector into the economy should reflect the customs of the informal settlements and draw on their informal rules of land development. Similarly, full recognition must be given to the practical and strategic needs of women in securing title. Any approach to legitimizing the status of the informal sector also requires an examination of the costs and benefits of regularization, not only for the household but also for the community and municipality. Indeed, future considerations of these informal land issues should be made in the broader context of effective urban management. Public authorities will increasingly find it untenable to assume sole responsibility for regularization. They will find it far more fruitful to redefine their role as catalysts in bringing about land regularization through negotiation and integration. The challenge is to create an enabling institutional framework within which activities at the local level can be structured and coordinated in support of a coherent land management policy.

For copies of the workshop papers and further information about the meeting, please contact Monique Cohen, APRE/H (703) 663-2531.

Field Perspectives on Evaluation

Fourth Generation Evaluation: Application in an A.I.D. Project in Malawi

By Richard A. Fehnel, Independent Consultant

The use of "fourth generation" evaluation methodology in the interim evaluation of A.I.D.'s Human Resources and Institutional Development (HRID) project in Malawi was possible because the design and initial implementation of the project had essential stakeholder involvement and the evaluation team had the requisite skills for applying the methodology to the project evaluation.

USAID/Malawi's HRID project is a cross-sectoral grant aimed at strengthening key institutions through a variety of locally determined and selected initiatives to improve management skills, processes, and human resources. Implemented by a U.S. contractor, the project operates under the guidance of the Project Coordinating Committee, whose members represent public- and private-sector organizations seeking to benefit from the project. The Project Coordinating Committee approves fundable subprojects proposed by organizations seeking to strengthen their human resources and organizational capability. Day-to-day guidance and coordination of the project comes from the Project Working Group, whose members include A.I.D. HRID staff, contractor staff, and staff from Malawi's

Department of Personnel, Management, and Training/Office of the President and Cabinet—the project's implementing agency.

The evaluation followed the general guidelines suggested by Guba and Lincoln in *Fourth Generation Evaluation* (see Randal Thompson's article on page 7 of this issue), with adjustments to fit the circumstances of the HRID project. Construction of the key sets of issues and concerns in the evaluation emerged from interviews with different groups of stakeholders. These issues and concerns were contrasted with declarations and interpretations of project goals in the design phase, perceptions of current project status, and projections of end-of-project status.

Building a Consensual Picture of the Project

At the heart of the fourth generation approach is a process of looping back to key persons already interviewed and reviewing with them the views on issues and concerns held by other stakeholders, and in this manner refining, clarifying, and modifying the picture of the project held individually and collectively. From a practical viewpoint, the process requires reasonable access to a relatively small set of key persons, considerable flexibility in scheduling, and time for evaluation team members to debrief daily. The importance of the communication process to the success of the fourth generation method suggests that group processing skills are essential qualifications for most, if not all, team members, in addition to other qualifications related to the substantive nature of the evaluation.

Through this iterative process, the content of the HRID project's evaluation issues and concerns evolved. Initially, the primary set of evaluation issues had focused on questions about priorities of funding allocations (primarily, although not exclusively, within A.I.D.'s subgroup of stakeholders—the project officers from different sectors). But as the evaluation process produced answers to these questions, a new, unanswered set of issues emerged, focusing on project implementation. These issues identified the need for clarifying roles and responsibilities among the Working Group members on the development and implementation of mechanisms for monitoring project performance and communicating performance criteria and monitoring procedures to project beneficiaries.

The iterative communication process not only clarified the need to shift the focus of the evaluation, but also created interest and momentum among the stakeholders for having the evaluation focus on needs and actions beyond the activities of the interim evaluation. Creating stakeholder commitment to carrying out an agreed-upon agenda for post-evaluation follow-up is an important characteristic of the fourth generation approach. For example, in the HRID project evaluation, a series of meetings of the Project Working Group were held during and after the evaluation to resolve ambiguities about roles and responsibilities for project implementation. In the first meeting, an evaluation team member acted as catalyst and recorder, but by the end of the evaluation, the role had been taken over by Working Group members.

Trustworthiness and Authenticity Rather Than Objectivity

Evaluators and their sponsors are concerned about the value of evaluation. These concerns are projected in worries over objectivity of the evaluators and the validity, reliability, and replicability of the evaluation—in short, issues of evaluation criteria. In development projects—where conflicting values, imprecise data, rotating personnel, rapidly changing daily needs, imprecise and unpredictable implementation efforts, and frequently unique circumstances are the normal context—these criteria are generally inappropriate and evaluators are forced to look to other anchors of relevance.

With this respect, the fourth generation approach suggests trustworthiness and authenticity as more appropriate criteria. Trustworthiness is concerned with the quality of the data and information being generated and used in the evaluation. It is measured in terms of credibility, confirmability, and dependability of data and informants. Authenticity is concerned with the character of the outcome of the evaluation, as well as the method of the evaluation. Authenticity is reflected in terms of fairness and in terms of stakeholder issues, concerns, and action agendas. Objectivity becomes a byproduct of the process of pursuing trustworthiness and authenticity, rather than a seldom-realized ideal presumably guiding evaluation.

In the HRID project evaluation, the pursuit of trustworthiness, authenticity, and objectivity can be illustrated in the way the team approached the assessment of project funding. Tracking down how much project funding has been spent and how much remains, by category of spending, is always a challenge in A.I.D.'s system of obligations, delivery order, disbursements, pipelines, fiscal years, varying fund accounts, and other financial staging areas among the Congress, the U.S. Treasury, and the host country grant recipient. When HRID was started, different funding priorities and categories were initiated, and classifying subproject grant recipients among them was not clear. Furthermore, there were ambiguities about the meaning of funding decisions within the

project. Did Project Coordinating Committee approval mean the proposing organization was definitely going to receive HRID support, or just "maybe"?

The team's initial information gathering showed that there was uncertainty among stakeholders on the levels of funding already "committed" and remaining. The evaluation team worked with key stakeholders to produce a new set of funding data that provided a common basis of understanding about where the project was and what funding flexibility and magnitude it had left. The new data were, in the final analysis, not much different from those that existed at the start of the evaluation; however, the process of developing the new set of data had produced an understanding among stakeholders of what the data meant and confirmed the accuracy and ensured the credibility of the data.

In short, the process made the data and the analysis of the data trustworthy. That created the basis for developing and ensuring the authenticity of the evaluation. Stakeholders found their own picture of the project to have changed, trusted the new picture, and had some assurance that, at this point, most other stakeholders had the same picture. And somewhere during the process, stakeholders recognized and accepted the fact that although individual evaluation team members had their own values and opinions, the team's actions were guided by concerns of fairness; by the team's willingness to express, defend, and change its opinions; and by its involvement with, rather than by its aloofness from, the project.

The net result was an evaluation that produced outcomes that were useful to the stakeholders. Now, some months after the evaluation, the agenda created during the evaluation is being implemented. A detailed action plan covering the next 12 months has been adopted. Detailed sets of roles and responsibilities of key actors, grouped according to major functions and tasks, have been spelled out and agreed to; they form the basis of work planning and accountability. The evaluation process followed by the evaluation team in its work with the Project Working Group is being replicated, with modifications, in interactions between the Working Group and organizations that have received project assistance.

Impact of the Methodology

Some of the lessons learned, declared by the Mission Director to have been the best she had read in project evaluations, really seem to have been learned—by evaluators and by the evaluated. Commitment to stakeholder involvement, and faithfulness to the commitment, is taken seriously by stakeholders who are given the opportunity for involvement in important project decisions, and it was learned that this commitment cannot be withdrawn without risk of serious damage to project spirit and operations. Commitment to a "process" approach to project design and implementation generally requires a much more intensive involvement by all parties and must continue to be reinforced and practiced. It also requires that the allocation of project funds be paced to allow for capacity to respond to the new situations that arise as the process unfolds, and as stakeholders seek to construct new realities.

Did the fourth generation approach make a difference? In this case, the key stakeholders in the Project Working Group thought that the new approach had made a difference in small, subtle ways that made the evaluation more authentic and more integrated into the normal cycle of project activities. Since these are goals of the fourth generation evaluation method, it may be concluded that the application was successful.

More information on this evaluation can be obtained from Richard A. Fehnel, 4419 SW 52nd Avenue, Portland, OR 97221 (503) 297-9272.

Fourth Generation Evaluation of South Africa Bursaries Programs

By Brenda Bryant,
Creative Associates International

In 1989 Creative Associates International carried out the evaluation of the USAID/South Africa bursaries programs, which provide support to black South Africans to enable them to study at universities in the United States and in South Africa. The five-member evaluation team used a constructivist approach to the evaluation, as laid out in *Fourth Generation Evaluation*, by Egon Guba and Yvonna Lincoln (see box on page 8 for a comparison of constructivist and positivist approach to evaluations).

Several characteristics of the evaluation classified it as constructivist rather than positivist. First, the evaluation was designed around issues identified not only by the project paper and A.I.D. staff, which is typical, but also by other stakeholders, including local and U.S.-based contractors, students/participants, university staffs and faculties at institutions attended by participants, and community-based organizations supporting students in their studies. To identify stakeholder issues, the evaluation team interviewed

individuals and held group discussions to bring out the stakeholders' most relevant concerns.

Although the Logical Framework provided a reference source for designers of the evaluation study, stakeholder issues drove the design. Some of those issues included recruitment and selection criteria, relative advantages of internal study for black South Africans versus study in the United States, academic support and understanding of why students perform better in the United States than they do in South Africa, and the nature of political involvement of participants who have returned home after study in the United States.

Second, the evaluators relied substantially on perception and opinion data rather than only on data stated in official documents in order to fully address the study's critical issues. For example, an important issue was selection criteria for participants. These criteria—academic credentials, community service, professional aspirations, and the like—were easy to identify through documents and interviews with program managers. However, it was also very important for evaluators to ask stakeholders whether they believed that the official criteria were the only criteria used for selecting participants. Stakeholders were asked questions like the following: Were the criteria evenly applied? How do you know? Were other criteria used? Why were you selected for the program? How do you know? How are selection decisions made? Is the process open to scrutiny?

It was clear in talking with stakeholders that they believed that political leanings and geography played an important part in selection and, in fact, were key criteria. The evaluation team attempted to verify this perception and to deal with the impact of people's perceptions on the program.

Third, the evaluation process was important, not just the evaluation outcome. Prior to the implementation of the data-collection activities, stakeholders received a summary of the design of the investigation and a list of the questions that would be asked. They were given an opportunity to add questions to the list. After data collection was underway, key stakeholders were periodically brought together in groups to review data and to discuss the findings or perceptions of the evaluation team. These forums raised new issues and provided opportunities for players in the program to negotiate and to clarify the issues. Typically, such sessions lasted from 2 to 4 hours and were open discussions in which group members raised issues. The role of the evaluators was not to direct the meetings, but to probe, to clarify, and to question and then to facilitate stakeholder discussions in order to resolve issues that could be addressed immediately. While such meetings enabled the evaluators and players to discuss the information being collected, their most important function was to reveal the differing viewpoints of the stakeholders and to determine how the information could be used to improve collaboration among the parties involved in the program.

In addition to the group sessions, the evaluation team leader also arranged one-on-one meetings with stakeholders when it was important to provide feedback in a confidential setting. Fourth generation evaluation encourages the evaluator to air tough issues with stakeholders and to help in the search for solutions and subsequent steps.

Limits to the Method

Two limitations were evident in the fourth-generation approach to the evaluation of the South Africa bursaries program. First, the process is at its best when the stakeholders fully engage in and discuss the issues, thereby advancing everyone's understanding of the program and of its problems and opportunities. However, some issues may be too hot to address fully, as was the case with identifying participants' levels of political activity following their term of study in the United States. The dialogue on this subject appeared to be constrained. Many of the stakeholders had not developed sufficient trust in the evaluators to overcome their caution, and the issue was not thoroughly addressed in the investigation.

Second, fourth generation evaluation is constrained when one or more stakeholders are unavailable to the process. In retrospect, a key player in South Africa is the U.S. Congress, and its lack of involvement in the dialog that shaped the evaluation process meant that it would not be able to fully use the resulting data derived from the evaluation. Ideally, all key players should be involved to enable them to learn from this essentially learning process.

The South Africa evaluation of the bursaries program illustrated the importance of the skill of the evaluators in undertaking fourth generation methods. In addition to the skills that any reliable evaluator must have—analytical skills, interviewing skills, writing skills, and so on—the fourth generation evaluator is a process facilitator involved in managing negotiation and dialog. "People" skills are paramount, and the availability of host country nationals as evaluators is a must.

Conducting Fourth Generation Evaluation Within A.I.D.'s Programming Cycle

Although fourth generation evaluation differs from traditional evaluation methods employed by A.I.D., the approach can easily be conducted within the

parameters of the A.I.D. planning cycle. First, the scope of work, initiated at the Mission or project level, is generated by the available stakeholders and contains issues and questions that are of immediate and long-term concern. Second, the evaluation team, if U.S.-based, interviews stakeholders in the United States and, on the basis of the data obtained, further develops the scope of work and discusses recommended additions with the Mission. Third, the on-site process begins by contacting identified stakeholders. The list of interviewees is expanded during data collection as new contacts and interest groups are identified. Fourth, the evaluation team meets daily to compare insights and understandings. Fifth, stakeholder debriefings occur periodically, and a final meeting of all parties and a report conclude the process.

Ultimately, A.I.D. project implementation is a political process. An evaluation, especially a formative evaluation aimed at quality management, conducted within a constructivist framework will serve the purposes of improving the program and maintaining the program's relevance to the current need the program is seeking to address.

For further information on this evaluation, contact Brenda Bryant, Executive Vice President, Creative Associates International, 5301 Wisconsin Ave, N.W., Suite 700, Washington, D.C. 20015 (202) 966-5904.

New publications from CDIE

Conducting Mini Surveys in Developing Countries, by Krishna Kumar, Program Design and Evaluation Methodology Report No. 15, December 1990 (PN-AAX-249).

"Terms of Endowment: A New A.I.D. Approach to Institutional Development," by Gary Hansen, *Innovative Development Approaches No. 3*, December 1990 (PN-ABG-001).

"Recycling Old Debt for New Ventures: Debt-for-Nature and Debt-for-Development Swaps," by Siew Tuan Chew, *Innovative Development Approaches No. 4*, January 1991 (PN-ABG-002).

Health Care in Nepal: An Assessment of A.I.D.'s Program, by Richard N. Blue, Roxann Van Dusen, Julie Johnson, and Judith Justice, A.I.D. Evaluation Special Study No. 70, January 1991 (PN-AAX-250).

A.I.D. Economic Policy Reform Program in Cameroon, by Dianne Blane, Michael Fuchs-Carsch, David Hess, and Jane Seifert, A.I.D. Impact Evaluation Report No. 78 (PN-AAX-251).

The *A.I.D. Evaluation News* has received much positive feedback from its more than 1,000 readers worldwide and has become a good medium for disseminating to an international audience findings, lessons learned, recommendations, and information on innovative approaches to development. The Editor of *Evaluation News* welcomes the views and comments of readers and encourages potential contributors to submit articles on issues related to development evaluation. During the next year, we will be producing three special issues: Focus on Women in Development, A.I.D.'s Environmental Initiative, and Program Management. Articles on these or other development evaluation topics, as well as comments and suggestions, should be addressed to the Editor.