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DEVELOPMENT AND USE OF OUTCOME INFORMATION IN GOVERNMENT

THE INTER-AMERICAN FOUNDATION
A Case Study

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INTRODUCTION

This is a case study of the development of a conceptual framework and a set of indicators and the use of outcome information to assess the results of development projects funded by the Inter-American Foundation throughout Latin America and the Caribbean. The case study was developed by the staff of the Inter-American Foundation as part of the government-wide effort initiated and sponsored by the Government Accomplishment and Accountability Task Force of the American Society for Public Administration.

The key elements of the results information system described in the following pages include a three-tiered approach to analyzing benefits of U.S. foreign assistance: family/individual level, organizational level, and the community or society at large level; and a division of those results in tangible and intangible terms. This system may be utilized by other agencies and programs involved not only in foreign assistance but in the areas of poverty alleviation, delivery of services, and economic assistance. Please refer to Attachment C for detailed information regarding how this case study was developed.

1. CONTEXT

The Inter-American Foundation (IAF), an independent agency of the United States government, was created in 1969 as an experimental US foreign assistance program. The IAF works in Latin America and the Caribbean to promote equitable, responsive, and participatory self-help development by awarding grants directly to local organizations throughout the region. It also enters into partnerships with private and public sector entities to mobilize local, national, and international resources for grassroots development.

Grants are generally awarded for two years and average $89,596. Many grants support grassroots organizations such as agricultural cooperatives or small, urban enterprises. Others are awarded to larger organizations that provide community groups with credit, technical assistance, training, and marketing assistance.

The IAF is governed by a nine-member Board of Directors appointed by the President of the United States. Six members are drawn from the private sector and three from the federal government. The President of the IAF is appointed by the Board of Directors. The Foundation's offices and staff of approximately 70 persons are based in Arlington, Virginia. Since 1972, the IAF has made 3,932 grants totaling $425 million.

The United States Congress annually appropriates funds for use by the Inter-American Foundation pursuant to the Foreign Assistance Act of 1961, as amended. These funds have traditionally comprised approximately 60 percent of the Foundation's annual budget. Congressional Appropriations are utilized for both program and administrative expenses. Congress appropriates money annually for a fiscal year that runs from October 1 through September 30. Funding appropriations FY 1970-1989 averaged $9.6 million. Appropriations for FY 1990 -1996:

FY 1990	$16.9 million	FY 1994	$30.9 million
FY 1991	$25.0 million	FY 1995	$30.9 million
FY 1992	$25.0 million	FY 1996	$20.0 million
FY 1993	$30.9 million		

The Foundation's other funding source is the Social Progress Trust Fund of the Inter-American Development Bank. This Fund consists of the repayment of loans originally made by the US government under the Alliance for Progress to various Latin American and Caribbean governments and institutions. The Foundation has access to the Fund pursuant to legislation enacted by the U.S. Congress in 1973.

Social Progress Trust Fund (SPTF) resources are used for program expenses only. The funds are available in the national currencies of 15 countries in which the

Foundation supports projects. The currency is used for grants in the country of origin. Funds are used to finance activities in agriculture, education and training, health, housing, land use, small business, and technical assistance. Social Progress Trust funds averaged $14.6 million per year from 1974-1994. Funding for 1995-2000 will be $44.0 million, for an average of $7.3 million per year.

The IAF's fiscal year 1995 budget was $39.1 million. In fiscal year 1995, the IAF approved $26.6 million for grants and other program activities in 22 countries of Latin America and the Caribbean. Of this amount, $22.9 million supported 122 new grants and 267 amendments for supplemental funding of ongoing grassroots development initiatives.

Another $3.7 million was allocated for the In-Country Support (ICS) services. ICS contracts with local development professionals in Latin America and the Caribbean provide the Foundation and its grantees with on-the-ground expertise in 22 countries. In-country Support service staff facilitate assistance and training to grantees in areas such as operational management, financial administration, resource mobilization, marketing, project evaluation, small business development, and agronomy. In-country Support service contractors also monitor the progress and results of ongoing projects, introduce the results information system to grantees and others, conduct applied research, and promote learning among grantees.

The geographic dispersion of grant funds in FY '95 reflects increased support for programs in metropolitan centers and provincial cities, which received 59 percent of allocations versus 51 percent for the previous fiscal year. Foundation support for rural programs decreased correspondingly, from 49 to 41 percent.

In terms of program activity, 82 percent of FY '95 grants were invested in food production and cash-crop agriculture, microenterprise development, and education and training activities geared to increase employment and incomes. Allocation of resources by program area during FY 1995:

Food Production/Agriculture	29%	Health	2%
Education & Training	27%	Cultural Expression	1%
Small Enterprise Development	26%	Housing	1%
Research & Dissemination	6%	Other	5%
Ecodevelopment	3%		

The largest share of grant resources (68 percent) was used to strengthen an expanding network of grassroots support organizations that provide training, technical assistance, and credit directly to low-income community groups. Grassroots Support

Organizations include national development foundations, service organizations, cooperative federations, professional associations, and affiliates of private voluntary organizations such as Caritas and Asociación Cristiana de Jóvenes (YWCA). The remaining 27 percent of grant funds was awarded to grassroots membership organizations such as cooperatives, community associations, microenterprises, and indigenous federations.

Due to the variety of contexts, goals and program activities, combined with physical distances and the decentralized nature of operations, assessing the work of the Inter-American Foundation and its partners throughout Latin America and the Caribbean is a daunting task. Fortunately, the efforts made to evaluate the work of the Foundation over the past 25 years have been beneficial as a basis for designing the present system for analysis of results.

The Inter-American Foundation was conceived as an experiment in investing in projects that would address social concerns and build on the creativity and skills of the poor. Its founding premise was that by approaching the problems of poverty from the grassroots up, the impetus, momentum, and staying power of development efforts would come from the people themselves.

Since 1971, the core of IAF's work has been the strengthening of community action in Latin America—from neighborhood and peasant associations to sophisticated credit networks. Yet little of that effort was routinely reflected in project reporting. Reports tended to focus on implementation of project activities, such as training courses, rather than on the more complex aspects of development, such as growth in personal and organizational capacity or increased voice in decision-making.

In a bottom-line perspective, "results" tend to be equated with an immediate, tangible product—something that can be captured with a dollar sign or a snapshot. However, as veteran field workers know, today's successful product sometimes turns into tomorrow's white elephant--in the form of empty community centers and abandoned public housing--if it is not the fruit of a broader, participatory process.

This is not to say that the emphasis on such results is misplaced. Such emphasis is particularly vital today in a world of growing demand and dwindling resources. But how to approach the definition of results is clearly very important. How the following questions are answered is crucial:

•. What constitutes "results" in grassroots development?

•. What do we want to achieve, and how can we tell whether we are achieving it?

•. What measures of community-based development take into account *both* success in the short run *and* sustainability over time?

- How should we evaluate program results?
- How should we organize and analyze information to assess the full effect of grassroots development?

Almost since its inception the Foundation had made efforts to evaluate its work in grassroots development, attempting to answer those difficult questions. However, these efforts, for the most part, were traditional post-project evaluations combined with financial audits and were very project specific. Few of the project evaluations were comparable as a result. In the mid-80's the technique of cluster evaluation was implemented, but again the results were confined to specific areas. Throughout the years, the Foundation also maintained a limited database containing financial and project information, mainly descriptive in nature, but no data on results. This data system was useful only to the degree that it could provide lists by program area, type of project, activity and beneficiary.

Also during the mid-80's, the Foundation initiated another form of evaluation--an in-country project monitoring system. Local development professionals were contracted as in-country service (ICS) providers. An important ICS function is to carry out the monitoring of grantees. The technical assistance and consultation services the ICS staff provides throughout the monitoring cycle are invaluable to the grantees and because of their proximity to one another, communications have been enhanced. What began as an experiment in decentralization, has become a permanent fixture.

Finally, in the late 80's the decision was made to initiate a series of impact evaluations that would provide an in-depth look at projects representative of a sector and of the Foundation's portfolio. However, even with this methodology, impact information is difficult to obtain as well as costly, not only in terms of the actual costs incurred but in the time required to carry out such longitudinal studies. This methodology requires establishment of a baseline set of data, intensive monitoring and ongoing data collection and use of and tracking of a control group. In-depth questionnaires are routinely used at both the beginning of the grant period and at the end. A significant drawback to relying on this type of evaluation alone, is the inability to control external factors over the time it takes to conduct one of these evaluations. This can often reduce the value of the findings derived.

2. DEVELOPMENT OF INDICATORS

In 1992, IAF staff began a systematic effort to address questions and issues to widen the lens through which the IAF looks at and documents results. The solution was not simply to create a battery of indicators. The Foundation's first step was to identify the spectrum of objectives and results of the programs it has supported and to define as clearly as possible the basic concepts it considered important to assess. The conceptual tool that evolved was the **Grassroots Development Framework (GDF)** . *(Please Refer to Figure 1)*

The tendency among development assistance agencies had been to concentrate on the tangible, quantifiable aspects. While there was no question that material results are important, it was also relevant to consider that material results fit into a larger, more holistic picture of successful development interventions. If inquiry is too narrowly focused, it misses the other key components of grassroots development such as participation, self-management capacity, strengthening of non-governmental organizations (NGOs) and community-based groups, and the building of civil society.

Consultations between the IAF and In-Country Service providers (ICSs) formulated the categories, variables, and definitions that became the basis for a "common language" that helps facilitate the exchange of experience between programs, and across country and sectoral lines. Only when the concepts and definitions were clear and there was a broad consensus about what is important to measure, did the Foundation shift attention to specific indicators of progress or accomplishment.

The Grassroots Development Framework (GDF)is a conceptual tool for illustrating, simply and graphically, the broad range of results achieved by non-governmental organizations and community-based organizations. The GDF should provide the information necessary to close the gap between lessons learned and action upon those lessons. It is anticipated that results information provided through the GDF will become an integral part of the Foundation's planning process because it is based on the Foundation's 25 year's of experience. This experience has demonstrated that grassroots development produces results at three levels:

. improvements in the quality of life and in economic and social opportunity for the **individuals and their families** who participate;
. strengthening of **grassroots organizations, non-governmental organizations and support networks** ; and
. changes in attitudes, relationships, laws and policies to address the roots of poverty rather than alleviating its symptoms and to foster a vital **civil society** .

Benefits to individuals and families at the first level of the framework are important and direct results of projects. At the second and third levels, the effects of any given project are less direct. However, as the widening of the conical shape of the graphic is intended to suggest, grassroots development programs can have impact on numbers of people well beyond the direct beneficiaries through strengthening non-governmental organizations, promoting linkages, and influencing policies and attitudes.

The framework also reflects grantees' experience that the less tangible gains--in self-respect, tolerance, leverage, accountability, and vision--are as important to long-term success as the material improvements in production, housing, or income. It demonstrates the pivotal position of non-governmental organizations as a vital link between people and policy.

It is the dynamic interplay between social gains and material progress that drives the grassroots development process. Interaction among all three levels of the framework helps sustain that process. Patterns of relationships among the levels and the relative importance of each level will vary according to the context of a particular country or region.

The balance among the GDF concepts is also key. Strategic **planning** capability, for example, is an important product at the organizational level. But if it is not accompanied by a clear **vision** of where the organization is going, planning becomes a sterile exercise. **Mobilization of resources** is an achievement, but if the organization compromises its autonomy in the process, it may lose effectiveness. Or, consider **sustainability** ...it involves building personal and organizational capacity, it requires ability to mobilize and administer resources, it implies changes in prevailing policies and attitudes, and 'space' to function in the system. It takes action on many fronts--individual and institutional as well as social and economic--to stimulate **participation** , and generate momentum to sustain the development process.

Regional Indian federations in Ecuador provide an example of the "interrelatedness" of the levels of the framework. Some tangible, first level results of grants are basic bookkeeping skills and increased income through agricultural production and community enterprises such as bakeries. In the process of administering grants, the federations themselves have gained experience, confidence, and strategic planning capability. The overall impact of increased capacity and legitimacy on the part of the federations is a new kind of relationship between the indigenous community and the State which has resulted in the settlement of land rights questions and protection for natural resources.

Several assumptions and hypotheses underlie the framework. They reflect the founding values of the Inter-American Foundation, as well as what it has learned in practice from its grantees and colleagues in Latin America and the Caribbean over 25

years. These assumptions include:

•. Self-help is essential, but it is not sufficient.

•. Sustainable development requires change in institutions as well as in the rules of the game (laws, policies, practices, attitudes).

•. Non-governmental organizations, grassroots organizations and networks (e.g., federations) are vital links between people and policy.

•. The energy that drives grassroots development springs from the complex interplay among material, social and cultural aspirations.

•. The development process is not linear, and its measure must be more than material products and efficiency.

The framework is an attempt to get beyond generalized abstractions; to break concepts down into components that are easier to identify. Empowerment, for example, derives from improved self-esteem and status in society, of skills and jobs and income, of changes in prevailing policies and attitudes, and of dissolving stereotypes and invisible barriers. Sustainability of the grassroots development process requires a comfortable fit with the local culture, administrative and long-range planning skills, space to function within the political system, and linkages among citizens' organizations, local government, and the private sector.

Empowerment, institution building, and the reduction of dependency have been at the heart of the Foundation's approach since its inception. Although they form the conceptual foundation of the GDF, they do not appear explicitly. The framework intentionally disaggregates these abstract and complex concepts into more concrete and manageable components.

Once the basic concepts of the Grassroots Development Framework had been debated and largely accepted in-house, the Foundation sponsored pilot tests in collaboration with ICSs in Uruguay, Ecuador, the Dominican Republic, and Costa Rica. These four ICSs, joined subsequently by other ICSs and Foundation staff, became the principal architects of the indicators, the data collection methodologies, and the instruments that took the framework from the drawing board to the field.

3. INDICATORS OF OUTCOME/RESULTS

Early in the evolution of the Grassroots Development Framework (GDF) it became clear that the answers to the following questions were important indicators of progress in grassroots development:

1. Direct Beneficiaries

   Did the project produce observable or measurable benefits for the individuals and families who participate? Did people, for example:

   •. learn new skills (literacy, math, technical),

   •. improve production or income levels,

   •. upgrade their housing, water supply, or health care,

   •. gain the self-confidence, motivation, and sense of identity and worth to continue with self-help projects?

2. Organizations

   Have grants strengthened existing non-governmental organizations, or encouraged the formation of new ones? Do these organizations contribute to the participation of the poor as stakeholders in civil society?

   What is the demonstrated ability of the non-governmental organization to:

   •. articulate its vision and carry out a strategic plan to fulfill it;

   •. administer staff and resources efficiently and in a democratic and participatory style;

   •. leverage resources, particularly from in-country sources, and be accountable for the use of those resources;

   •. form networks or linkages to expand and sustain its programs;

   •. generate income to sustain its programs?

3. Community or Society

   Has there been an impact beyond specific projects? Has there been a cumulative effect on attitudes, policies, relationships, or laws in ways that

empower people or remove obstacles to development?

- •. Was the project methodology replicated on a larger scale?

- •. Did project accomplishments help break down stereotypes (e.g. about women, minorities, handicapped)?

- •. Did people gain a greater voice in decisions that affect their lives (e.g. through interaction with the municipal government)?

- •. Did the work of the non-governmental organization contribute to favorable changes in policy (e.g. credit, land use, resource conservation)?

These concepts and the answers to these questions led to the refinement of the variables and indicators that comprise the Grassroots Development Framework. ***(Please refer to Table 1 -NOTE: Indicators listed as keywords under each variable)***

Three levels of impact (individual, organizational, societal) and two types of results (tangible and intangible) form six categories or windows: Policy Environment, Organizational Capability, Standard of Living on the tangible side and Community Norms, Organizational Culture and Personal Capacity on the intangible side. The variables within these categories are further broken down by indicators and concrete manifestations.

Early stages in the development of variables saw the number vary between 20 and 254. But through much staff and ICS discussion and definition of terms, a process that spanned almost three years, the final format was narrowed to 22 variables with 44 indicators presented in Table 1. For some indicators, measurement scales were developed, tailored to permit specificity while at the same time allowing attempts at aggregated information. ***(Please refer to Attachment A, Exhibits 1 and 2 for examples of indicators and associated measures)***

Core Variables and Definitions

The 22 variables of the GDF were selected largely because they were the common denominators that seemed to recur throughout the collective experience of the Foundation and its partners. When taken as a whole, the variables and indicators are the keys to a successful development process. However, the Foundation attaches particular importance to a few of the variables because of their strategic significance in the programs it supports.

To this end, six variables have been designated as "Core Variables" which require that information be recorded on these variables for all active projects within the Foundation's portfolio. In selecting these variables as core variables the following criteria were utilized: importance within the Foundation's current priorities; applicability to a wide range of projects; and, relative ease of aggregation. But above all, the variables selected were determined to be the key elements necessary for sustainability of organizations and successful programs in grassroots development. The core variables are as follows:

Basic Needs: Satisfaction of basic needs for food, shelter, health, security.

Employment/Income: Creation, preservation, or upgrading of jobs. Self-employment in production or commerce. Average annual income of project participants.

Resources: Generation or mobilization of resources to: a) finance the institution's operating expenses; b) support grassroots programs and organizations. Resources can be: financial, material, human. Sources can be: international, national or internal to the organization. Degree of economic sustainability achieved by the organization.

Democratic Practice: Institutional style and modus operandi which facilitate accountability to members and clients; broad participation in decision-making; availability of information about the management and allocation of resources; and equitable distribution of benefits.

Practices: Incorporation of new approaches to problems or new ways of relating to people, based on experience demonstrated by non-governmental organizations. Examples include new methodologies or techniques, or revitalization of traditional technologies. Incorporation may be by other non-governmental organizations, by local or national government, or by the private sector. Dissemination of new approaches, methodologies or techniques in order to promote changes in practices.

Relations: Transition from relations of control and dependency (between individuals, groups, or sectors) to relations based on equity and interdependence.

TABLE 1: CATEGORIES, VARIABLES AND INDICATORS

POLICY ENVIRONMENT	COMMUNITY NORMS
LAWS	VALUES
Enactment, modification or repeal of legal measures	*Motivating concepts*
Consultation and participation	
POLICIES	ATTITUDES/BEHAVIORS
Influence	*Behavior in the face of sauce-cultural diversity*
Proposals and demands	*Degree of responsiveness within public and private sector entities*
PRACTICES	RELATIONS
Replication	*Capacity to negotiate with civil society*
Dissemination	*Capacity to negotiate with the public sector*

ORGANIZATIONAL CAPABILITY
ORGANIZATIONAL CULTURE

PLANNING	VISION
Planning Capacity	*Capacity to identify opportunities*
Adaptability	*Recognition of consequences*
ADMINISTRATION	DEMOCRATIC practice
Management Capacity	*Internal transparency/accountability*
Profitability	*Participation*
Yield	
RESOURCES	AUTONOMY
Mobilization of Resources	*Independence in decision making*
Sustainability of the organization	
Brokering of resources	
REACH/LINKAGES	SOLIDARITY
Coverage	*Cooperation*
Linkages	*Priority of the collective sector interests*

STANDARD OF LIVING	**PERSONAL CAPACITY**
BASIC NEEDS	SELF-ESTEEM
Satisfaction of basic needs	*Self-perception*
Changes in quality of life	*Role changes*
KNOWLEDGE/SKILLS	CULTURAL IDENTITY
Acquisition of skills and knowledge	*Identity*
Application of new skills and knowledge	*Cultural value*
EMPLOYMENT/INCOME	CREATIVITY
Creation/saving/improvement of jobs	*Innovation*
Average annual income	*Application of new initiatives*
ASSETS/SAVINGS	CRITICAL REFLECTION
Saving capacity	*Analytical capacity*
Change in assets	*Evaluation and adjustment*

Data Collection

Data collection methodologies are still under development but to date have included review of grantee and monitoring reports, grantee interviews, focus groups and grantee responses to questionnaires designed by country, region or thematic approach. Key sources of information include project participants, members of the grantee governing board, key members of the community, members of the governing board, monitors and ICS staff. The variety of data collection instruments has contributed to varying degrees of successful data collection. Data is routinely reviewed and verified at each data entry point. **Please Refer to Attachment A, Exhibit 3--Data Collection and Quality Control** .

4. USE AND IMPACT OF INFORMATION ON OUTCOMES/RESULTS

<u>IAF Reporting</u>

Pilot Study: Ecuador

In 1994, the earliest reports based on the GDF were the pilot studies conducted in four countries. In the Ecuador pilot study the results documented in applying the framework to 24 organizations throughout the country, were distributed evenly throughout the six categories of the framework, and were divided almost equally between tangible and intangible. ***(Please refer to Attachment A, Exhibit 4** for more information.)* Three variables that ranked among the top five "results" are, from the Foundation's point of view, building blocks of ***social capital[1]: democratic practice, accountability, and autonomy.***

The results documented were distributed relatively evenly throughout the six categories of the framework, and were divided almost equally between tangible and intangible. ICS staff found that the framework helped visualize the various strategies employed by different types of grantees. Non-governmental organizations appeared to concentrate on organizational strengthening as a means for delivering benefits at the grassroots and for influencing the policy environment and changing norms. Grassroots community organizations began with the basic building block of personal capacity as a means to encourage a more democratic organizational culture and ultimately affect values and attitudes. Other types of grantees targeted the policy environment and worked for changes on a regional or national scale.

Statistics from the study (Ecuador Pilot Study)show that 80 percent of the beneficiaries contributed voluntary time or labor to a project (mobilization of resources); 72 percent had acquired new knowledge of civic rights and responsibilities (*knowledge and skills*); and 74 percent were linked into some larger network (*reach/linkages*). Nearly 80 percent cited positive change in behaviors and attitudes in their environs (*attitudes*), including greater tolerance for ethnic diversity, easing of racial and religious tensions, and better coordination among development agencies (*relations/solidarity*).

Pilot Study: Costa Rica

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[1]

***Those sets of largely non-formal, non-hierarchical relationships that foster civicness and promote broadly based cooperation within society. (Putnam; Making Deomocracy Work: Civic Traditions in Modern Italy,* 1993)**

As a result of the pilot test conducted in Costa Rica, the country representative and the In-Country Service staff elected to undertake a 20-year retrospective on the results of Inter-American Foundation support, based on the GDF and its concepts. Findings of that report include the following: Foundation support has resulted in the creation of nearly 25,000 permanent and 15,000 part-time jobs, assisted 3,400 micro-entrepreneurs, and reached over 51,000 direct beneficiaries through grants to 167 grassroots organizations. The Spanish language publication *Crecimiento y Transformación* was broadly distributed in Costa Rica and to ICS offices throughout Latin America and the Caribbean. *(Please refer to Attachment A, Exhibit 5)*

Foundation Wide reporting

Reaching out for a broader sample in FY 1995, the Foundation asked all ICSs to conduct a rapid survey of the Core Variables/Indicators on grants active between October 1993 and April 1995. Various methods of data collection were used, including a review of grantee and monitoring reports, grantee interviews, and grantee responses to questionnaires. This quick survey of results produced the following information as reported in the FY 1997 Budget Submission -Progress Report to OMB:

Mobilization of Resources. Over the years, the Foundation had reported its leveraging capacity at $1.50 generated for each dollar invested. Data collected with the framework demonstrated an average return of $3.25 to the dollar, with figures as high as $4.30 in the Southern region of South America. This information confirmed the hypothesis that the potential for resource leveraging with Foundation funds was greater than previously imagined.

Practices. Combined figures for the four geographic regions indicate that methodologies pioneered by IAF grantees in the survey sample have been replicated, adapted by, or disseminated to 6,029 non-governmental organizations and 1,186 public sector organizations. The "best practices" reported were in work with youth and women and in the fields of preventive health, environment, and training. Collectively, IAF grantees have shared methodologies with international organizations in 209 instances over a two-year period.

Relations. Of particular interest in this era of democratization and decentralization is the degree to which the organizations supported by the Foundation are interacting with and influencing governments and other organizations in civil society, at the municipal and national level. Over 80 percent of the organizations reported an increase in their capacity to negotiate with the public and private sectors. One grantee reported that a small group within the organization was disproportionately involved in administration and operation of its sugar processing mill. As a result of this finding, they have held a series of meetings and new elections, which have improved membership participation.

An excellent example of what the Grassroots Development Framework can reveal is the case of a grantee in Mexico. When the framework was applied to assess the effectiveness of the Mexican grantee Program for Integrated Use of Natural Resources (PAIR), it became clear just how different a project can look when the lens for viewing results is widened. Traditional monitoring of this non-timber forest products grantee demonstrates that PAIR worked with two municipalities in the state of Oaxaca to improve coffee production, introduce vanilla and cacao crops, protect hardwood forests, and begin a reforestation project. Activities included upgrading 20 hectares of coffee, planting 20 hectares of cacao, and establishing nine experimental plots of vanilla as well as a nursery that provided 5,000 seedlings for transplant into the cacao and vanilla fields.

Asking a different set of questions produced a whole new perspective on the scope of this grantee's work. Through the framework, the IAF learned that this group has collaborated with half a dozen other major non-governmental organizations in the area, and worked closely with local and regional producer organizations. Coverage has expanded from the two pilot municipalities to an additional 10 municipalities, involving local government, non-governmental organizations, and peasant organizations.

On the strength of the grantee's track record in natural resource planning and use in Oaxaca and other states, several of its founders were named to national posts. Biologist Julia Carabias Lillo joined the cabinet as Secretary of Environment, Natural Resources, and Fishing. Lic. Enrique Provencio serves as Undersecretary for Planning of this secretariat and Biologist Carlos Toledo Manzur is Director of Regional Development, promoting on a national scale the approaches to natural resource use and conservation successfully demonstrated by the grantee. All of these are important consequences that are not detected with traditional monitoring.

<u>Internal Management Practices</u>

Management Information

Results information is being increasingly incorporated into Foundation procedures and decision-making. The Grassroots Development Framework (GDF) is an integral part of the agency's plan for a new management information system (MIS), and it is the center of the agency's GDF/Results System (GDF/RS). **(Please refer to Attachment A, Exhibit 6 for Summary of Results System.)**   It plays a major role in almost every aspect of the monitoring and evaluation system that is built upon the grant review and approval process.

The reviewers of grant proposals keep the GDF in mind when working with

potential grantees to establish clear objectives and expected outcomes. After the signing of the grant agreement, the ICS provides grantees with training in the GDF where they are assisted in establishing baseline (point of departure) information against which to compare progress. The grantee also selects the GDF variables and indicators most pertinent to the objectives and expected outcomes of their grant that will be monitored throughout the life of the grant. For many grantees whose planning and evaluation skills need development, especially in establishing clear goals and linking those goals to desired outcomes, the assistance that the ICSs provide is crucial.

ICS monitoring and grantee program report formats have been revised to require results information. Monitoring visits to grantees provide opportunities to collect and verify information on results reported by grantees thereby exerting some quality control. ICS staff enter results information into a country-level database which is then sent on diskettes for incorporation into the IAF's GDF/RS database. At all points of data entry, staff review the data as an additional means of quality control. However, the quality of data reported varies significantly from country to country.

The end-of-grant report or Project History has also been revised to highlight results information. This final report on each grant will contain the summary of the results information collected throughout the life of the grant. When the GDF/RS and the MIS are fully operational, it is anticipated that all reporting procedures and requirements adjusted and reformatted to reflect results information, could result in streamlining the paperwork processing time as well as improve overall reporting. **Please refer to Attachment A, Exhibit 7** -- **Reporting Results Information** .

Decision-making

Incorporation of results information into Foundation procedures and recordkeeping has been described above. In practice, results information is essential in the consideration of new grants and grant supplements. For new grants, the Approval Memorandum must contain the grantee's clear objectives and expected outcomes based upon the GDF. For amendment requests, the Approval Memorandum must contain results information on the grantee's progress to date as well as any changes in objectives and expected outcomes, again in GDF terms. Grantees often seek the assistance of ICS staff members in reviewing and synthesizing their accomplishments and in framing goals and choosing indicators for efforts to be supported by the amendment. This information is already influencing the advice and counsel that ICSs provide to grantees.

Using the information generated in the FY 1995 results survey based on the GDF, in combination with other factors such as the program focus on resource mobilization, the Foundation determined the allocation of funds for grant amendments for fiscal years 1996 and 1997. For example, results data on the variable Resources clearly supported the Foundation's decision to make resource mobilization a program priority.

Also, at the time of planning for FY 1996, results information figured prominently in the decision to reduce the program in the Eastern Caribbean. Analyzing the capacity and sustainability of potential grantee organizations in the Eastern Caribbean, using the variables at the organizational level (planning, administration, resources, vision, democratic practice, etc.), the Foundation decided to consolidate its limited resources on one initiative.

Grantee/Partner Adaptation of the GDF/RS

On their own initiative, grantee organizations in several countries are also establishing their own institutional databases to use for evaluation and strategic planning. In Uruguay, several grantees are using the GDF to analyze and document results of programs beyond those supported by the Foundation. They have found that the GDF/Results System has enabled: improved planning, goal setting and decision-making; prioritization of activities in the face of increasing demands; more rigorous analysis of results at various levels--organization, community; and visualization of changes that occur as a result of their programs. One grantee disclosed that the introduction of the GDF/Results System marks the third attempt to implement such a system, and the first to become operational.

Uruguay's Centro Latinoamericano de Economia Humana, an organization devoted to development efforts at the municipal level, further refined the variables and indicators of the GDF to focus on their particular area of interest--linking of local actors (non-governmental organizations, private and public sector entities) to improve quality of life. This enhancement helped their monitors "buy-in" to the concepts of self-evaluation and the GDF/RS has been successfully adapted to other program areas not funded by the Foundation.

GURISES UNIDOS, also located in Uruguay, an organization devoted to help street children, found that the GDF helped staff members in organizing data they had previously collected but had been unable to organize in a useful manner. This has helped staff to value their own work and has brought unity to the team. GURISES UNIDOS would like to work with other similar organizations to explore the possibility of the use of the GDF to establish a common system for better communication and presentation as a group united in the effort to help streetchildren. They believe that the GDF has helped them to articulate the results of their work, and thus, they are better able to communicate that information to others. They, too, have decided to put the GDF to work for them in program areas not funded by the Inter-American Foundation.

In Paraguay, the ICS provided technical counsel to a national organization of rural women to prepare for a critical annual planning meeting by organizing the various proposals for action into the three levels of the GDF to facilitate debate and decision-making. In addition, during the meeting, the ICS assisted the group to identify

variables and indicators to monitor their activities and accomplishments. A summary document was prepared to serve as a guide for the upcoming year's work.

The Grassroots Development Framework also inspired the establishment of similar systems in the Foundation's partner entities, the Inter-American Corporation for Grassroots Development (Andean Region) and Investment for Sustainability, the Foundation partner consortium in Mexico. In both cases, implementing a system to track results is considered to be an important part of garnering support for these entities from corporate and multi-lateral sources of funding who recognize the importance of performance monitoring. In a similar vein, the Foundation's work to design and develop a framework and tracking system that accommodates a broad range of program activity has sparked the interest of other US based groups such as Partners of the Americas and Appropriate Technology International, who want to set up or refine their own systems.

5. COSTS

Factors affecting cost

To begin any discussion of the costs of developing, implementing and maintaining a results system, three important points must be emphasized regarding the conditions under which the Foundation carries out its mandate:

•. The Foundation neither designs nor implements the projects it chooses to support. Projects are designed, proposed and implemented by independent organizations throughout Latin America and the Caribbean, of varying levels of sophistication--from neighborhood community groups to associations of professionals. Projects span a broad array of program goals and objectives.

•. The Foundation is mandated to stimulate ever wider participation in development through its programs and initiatives. In this same spirit, a highly participatory approach to the design and implementation of the GDF/RS was selected. While it imposed greater cost, broad participation increased the likelihood of continued collaboration.

•. Startup and routine operation of the GDF/RS are largely dependent upon the cooperation of grantees, ICS personnel and other partners scattered across a contextually diverse hemisphere. All are distant from the Foundation and while linked to the Foundation through contracts and grants, must respond to the demands and pressures of their local environment.

It follows, therefore, that if the Foundation is to continue to solicit their vital contributions, grantees and partners must recognize the benefits of the GDF/RS to their projects and organizations. If they do not see their work represented in the GDF, the foundation cannot expect their full and necessary commitment to the new results reporting requirements.

Responsibility within the Foundation

The major responsibility for the design, startup and implementation of the GDF/RS was assigned to the Foundation's Office of Learning and Dissemination (L&D) by the Foundation's President in 1992, as a result of his interest in conveying the outcome of the Foundation's work to outside audiences. For most of the past 25 years, the Foundation has maintained this office as integral to achieving the institution's goals of funding, learning and disseminating information on grassroots development. Thus, the elaboration of the GDF/RS was consistent with the responsibilities and activities that this office ordinarily undertakes and the costs associated with these early phases

have been absorbed by L&D's budget.

Over the last four years, roughly two full-time staff (of a staff of 70) have been devoted to the development and implementation of the GDF/RS. An estimated 400 additional hours of IAF staff time were spent in committee meetings and working groups to refine and operationalize the GDF/RS. The four pilot efforts cost $124,000, and approximately $224,000 was spent over the last two years to develop and refine certain aspects of the GDF/RS, such as gender, productive projects and country portfolio planning. It is estimated that $100,000 will be devoted to fine-tuning and improving the functioning of the GDF/RS in all Spanish-speaking countries and Brazil during FY 1996.

The cost of the field implementation phase, June 1995 to September 1996, which includes computer equipment and software and training seminars for ICS staff and grantees in the majority of countries, thus far amounts to approximately $142,000. It is estimated that roughly 20-30% of a typical ICS budget (total ICS budget for all countries is approximately $3 million) is devoted to project monitoring. This was the case before the implementation of the GDF/RS, and the effects of implementing the GDF/RS on the allocation of ICS budgets is discussed briefly in the following section on unanticipated costs.

Over the four-year development period, the total estimated cost was $590,000 or .005% of a total IAF budget of $112.7 million dollars, not including staff time. Working in an environment that maximizes participation of stakeholders naturally increases costs at every step.

The first phases of work with the GDF/RS have absorbed a major share of L&D staff time and attention and have precipitated a redirection of funds and staff time. The reallocation of funds was compounded in FY 1996 by the Foundation's 37.5% appropriated budget reduction and staff attrition of about 25%. An example is that some resources allocated to impact studies were shifted to implementation of the GDF/RS. These studies are important complements to the collection of results data.

Unanticipated costs

Time allocations among routine functions of the ICS staff may have shifted more significantly than anticipated due to ICS and country portfolio budget reductions. In those places where other significant tasks had priority claim on ICS time, such as the negotiation of major partnerships, reporting is on a slower track.

The design and development of an **interim** database was an unanticipated cost both in staff time devoted to the task as well ICS staff time devoted to data entry. This

situation was necessitated by the delay in the development of the Foundation's overall Management Information System. Although the interim database has fulfilled the preliminary expectations of providing a consistent format for data entry and organizing data from the field, significant work is still necessary to improve its usefulness. Data entry procedures are still quite basic and should be improved in a number of ways including elimination of redundant data entry and enhanced "user friendliness." The capacity for creating and printing simple reports is still not available. Until such time as the MIS is operational, this "interim" database must fulfill the needs of the GDF/RS.

One of the most significant costs incurred as a result of the design, development and implementation of the use of the GDF/RS and its outcome indicators has been the cost of time devoted to data collection, interpretation and analysis at the ICS level. The expectation was that results data collection would occur through the already existing monitoring system and would enhance the established system by providing uniform and streamlined reporting. However, a number of factors intervened, such as budget reductions and closure of programs in some countries, which affected the traditional monitoring functions and consequently affected data collection. It would be costly and time-consuming to determine costs incurred that exceed traditional expenditures for grant monitoring, because the GDF/RS makes use of the already existing system of monitoring, and this system was undergoing changes even without the additional reporting requirements.

Another ongoing expenditure is the training component. Initial ICS feedback indicates that even after the implementation phase of intensive training, there will be a continuing need on the part of the current grantees for ongoing technical assistance in addition to the training of new grantees. This technical assistance is essential if data is to be reliable. Turnover of ICS monitors also contributes to the continuous need for training as new staff are brought on board across all the ICSs in Latin America and the Caribbean.

Most significantly, while the requirement for data collection and verification has increased, the ICS budgets for such activity has not kept pace. Monitoring visits have been cut back in a number of countries as one economy measure. The ICSs may be able to juggle their services to meet the requirements, to varying degrees, but other services are being displaced. It is impossible to determine the exact degree to which the displacement of services has occurred because in most countries where budgets have decreased so has portfolio size and the corresponding activities. These issues remain to be resolved.

In developing the GDF/RS the intent was to develop and implement a permanent system, which would routinize the documentation of project results. This process requires much more time than has yet elapsed, and it is anticipated that aggregable results information across country lines and trend data will be available only after two

years of data has been collected. It will probably be another one to two years from that time before the system is fully routinized.

Bureaucratic Costs

Resistance has come from some grantees for a variety of reasons: 1) critical of the methods and concepts; 2) absence of evaluation orientation - it's always been enough to talk about their activities instead of their results; 3) fear that the information will be used punitively (for cutting off funding); 4) they already have their own systems, and often have to report to several donors, and use their system/format for all reports, instead of preparing many separate reports according to different guidelines; 5) meeting the reporting requirements appears excessively time-consuming given the demands of project implementation activities. This resistance, though infrequent, further burdens the ICSs by increasing their responsibilities for the collection of data which could otherwise be provided by the grantees. Difficulties still exist regarding interpretation of language and terms. Too much too fast for many grantees has contributed to slowing down the process of routinization of the results system.

6. LESSONS LEARNED

As with any attempt to systematize data collection on results information, there are caveats. Care must be taken **not** to:

- merely use the variables and indicators as a checklist, rather than seek to broaden understanding of the phenomena portrayed;

- over-complicate by proliferating the number of variables and indicators; grantees should be encouraged to report on only the important variables and indicators directly pertinent to their project;

- lose sight of the forest (understanding the social, cultural and economic processes underway) for the trees (only reporting numbers); and

- let the tail wag the dog, skewing projects and programs to accommodate "the system."

However, the framework *has* captured the imagination of many due to its:

- conceptual clarity expressed in a common language that allows one set of variables and indicators to capture results in different contexts;

- simplicity (as described by the Brazil ICS "it is a 'simple' concept that allows non-governmental organizations and grassroots groups to adopt it as part of their institutional life.");

- visual, graphic presentation;

- adaptability to different contexts and data collection methodologies;

- versatility, to apply in broad brushstrokes to an entire grant portfolio, or in detail to a given project;

- vitality, which springs from broad participation and a two-year dialogue among staff and ICSs to build the system; and,

- utility in focusing planning and decision making processes.

Grantees' attitudes toward the framework are a key to its potential success or failure. As one ICS staff member in the Andean region start-up workshop articulated the challenge, "There are two ways of applying the framework. One is to get the boxes checked and the forms filled in, and the other is to make sure that grantees have the opportunity to really appropriate this tool so that it becomes a genuine part of their own planning and evaluation."

Consequently, the most heartening feedback has been the response from a significant segment of grantees. The degree of interest was a striking departure from the weary resignation that often greets new donor demands for information. One reason may be the identification with the integral nature of the framework. "This is what we've been wanting from funders for a long time," remarked a Dominican non-governmental organization leader. "It's the first time the intangible things are taken into account. That's what most of the effort goes into, but we've never known how to record the results."

Perhaps the most encouraging sign of the potential of the framework is its spillover in several countries to projects beyond the IAF family. FORO JUVENIL, a respected grantee group in Uruguay, has worked actively with the ICS to integrate the framework as a basis for identifying and analyzing the results of their job training program. "Once we really master the framework as a tool, it will give us the means to set up and manage our own information system ... tailored if need be to our own particular vision." After a year's trial, staff opted to extend the framework to the other three major programs of FORO, though none is funded by IAF.

The implementation phase has revealed a number of lessons as well as operational dilemmas, areas for further development, and issues to be resolved. The eight most important lessons are outlined below (**Please refer to Attachment B** for a complete list):

. Participation and buy in of stakeholders are crucial in the development and operationalization of a performance measurement system as well as in defining the common language that describes the common phenomena found in a variety of contexts. For the IAF in particular, this includes Foundation staff, ICS staff and grantees.

. The importance of incorporating performance measures during the project planning stage cannot be overstated. It is easier to adopt the system and document results in projects where goals and objectives were clearly identified from the start. Developing well-stated project objectives can also help focus the selection of variables and indicators to those of highest priority and relevance to the project, and

reduce the tendency to try to report on as many variables as possible.

. Data collection instruments and indicators should be tested and standardized (to the degree possible) within sector, country or region, before full-scale implementation. A phased-in approach to implementation would have allowed for more testing.

. Generally speaking, information on those variables that are measured in terms of scales cannot be reported until both the beginning and the end of the project data points are obtained. It is meaningless to compute averages or frequencies on organizations at varying points on the scale, because such determinations are made according to distinct criteria for each project according to the capacities of the organizations and the needs of the populations they serve.

. Trying to determine the degree of **causality** between results and a given grant may be neither practical nor germane. More relevant is an understanding of the relationships among results, strategy, and context that will help identify which development approaches work under which circumstances.

. In addition to the GDF/RS, other complementary, in depth studies which include diverse perspectives, should be conducted to fully understand and document results to increase the possibility of demonstrating strong association and attribution of results in specific instances.

. Strong, unambiguous executive support, especially in an environment of competing priorities and declining budgets, is essential for the successful implementation of a results information system. At all levels (Foundation, ICSs and Grantees), a minimum of resources (staff time, technical assistance, information management support) must be designated for the purposes of developing and implementing the system, and a central office person or team should have the institutional responsibility for the implementation of the system

. Certain events operated against the rapid routinization of the results system:

- •. the complexity of the concepts of the Grassroots Development Framework for community level groups;

- •. the accelerated pace of implementing the system resulted in slowing the process down primarily due to the lack of sufficient time for field testing of indicators and data collection instruments; and,

- •. changes in the ICSs, including budgets and staff turnover.

A phased-in implementation of the GDF/RS would have permitted the following:

- •. Increased participation of Foundation Representatives in data review, quality control and analysis, and to increase their ability to provide technical assistance to ICSs and grantees.

- •. Indicators tested in a selected number of projects/countries and revised as necessary before full implementation, which would have produced better proxies

for scales and improved scale definitions.

•. Data collection instruments fully developed and tested.

•. Completion of a reference manual and training program developed prior to full implementation.

•. Implementation in six to ten countries in the first year after complete field-testing, and the remainder in year two.

•. Startup with new projects and selected current projects and with focus on project histories and testing indicators on terminated projects.

•. Development of a more complete interim database with data management capacity, including enhanced user-friendliness, report creation, printing capabilities, and very basic analytical functions. The database and all these functions would have been fully tested.

•. Development of missing components of the results system, such as related to production/enterprise projects, context/strategy typologies, etc.

Status of the Grassroots Development Framework/Results System

The GDF/RS has been operational for 11 months, and is currently being used in 16 Spanish-speaking countries and Brazil. Data has been received from ICSs on a quarterly basis, beginning October 1, 1995. ICSs are required to submit data on the projects visited during each quarter, according to their routine monitoring schedule. Since monitoring schedules vary considerably across countries, data reported is still very uneven.

The results database currently contains information on approximately 220 projects (38% of active projects) from 17 countries. However, this data represents the capture of only one data point in time for each project. At this time, this data point can be captured at one of three points during the grant period: point of departure, monitoring visit, or end of project. It is anticipated that at the end of approximately two years, the database will contain at least two or three data points for each grant. Only then will aggregation of data at the Foundation level be possible.

Reliable results information is available for at least three variables: resources (173 projects), practices (161 projects), reach/linkages (123 projects). These variables lend themselves to easy and appropriate aggregation. On a smaller subset of projects, where less data is available, the IAF could also report on a few other variables/ indicators in the short term: employment, self-esteem, savings, knowledge/skills, laws, policies. Examples from the database, programmatic and monitoring reports, and project histories will be utilized to illustrate and amplify this information in future reports.

Because the IAF is still in the implementation process (less than a year, with preliminary data on less than 40% of the active portfolio), and because of the diverse range of instruments and methods being used to collect results information, the IAF must be circumspect about the use of the data. Any report of information based on the current contents of the database must be preceded by some general remarks and caveats about the quality and validity of the data and the degree to which the data is/is not representative of the entire portfolio. The Foundation suggests that the reader consider the following list of explanatory remarks in interpretation of the information reported:

•. some countries have submitted very little data

•. the data represents different points in the life of a given project, therefore it is not necessarily complete nor comparable

•. number of projects reporting, may represent only a percentage of the IAF portfolio

•. different methods and instruments are being used in each country to gather information, which may also affect the comparability of the information

•. the quality and validity of the data may be weak in some cases in the early stages of implementation, but should improve over time with continued Results System implementation and improvements to the System.

7. NEXT STEPS

Grassroots development is far more complex than summing up the results of individual projects. The development process is not confined by the start and end dates of specific projects. The challenge for the Foundation is to find ways to measure progress, successes, and failures in this process. Recognizing and measuring progress toward real solutions calls for imagination, creativity, and a willingness to take the long view.

In FY 1996, the Foundation is placing increasing emphasis on transferring its grassroots development methodology to private and public institutions in the hemisphere to build local capacity for grassroots development and lessen dependence on U.S. foreign assistance resources. It will impart its methodologies to new partners such as country or regional level consortia associations which will pursue the mobilization of in-country, regional, and international resources from both public and private sectors, thereby increasing the scale and sustainability of grassroots development. In FY 1996, the Foundation began placing priority on those new projects that demonstrate the potential for local and international resource mobilization that contributes to greater economic self-sufficiency and local capacity to promote and sustain grassroots development, as well as actual and potential impact (results). As part of its emphasis on resource mobilization, the Foundation has established a new initiative focused on promoting, at the municipal level, collaboration among non-governmental organizations, community associations, the business sector, and local government to mobilize and focus their efforts and resources on local development.

Economic production activities which generate jobs and income will continue to be a focus, and will include:

- •. agriculture and food production;
- •. processing and marketing to improve incomes and promote rural development;
- •. small business development to generate income and jobs and to develop productive capabilities;
- •. education and training in skills that build the know-how, productive capability, and confidence needed to develop human resources;
- •. and natural resource management to enable the poor to generate income while ensuring the long-term sustainability of the environment.

The IAF will continue to grapple with ways to measure and document the results of the grassroots development process. The information produced from the Grassroots Development Framework/Results System GDF/RS will be very important in identifying

those programs with potential for success in the priority areas of resource mobilization, local development, economic production, and environmentally sustainable development. The GDF is a work-in-progress being modified through exchange of ideas among Foundation staff, in-country teams, grantees and other members of the development community. The challenge remains to test, hone, and revise the variables and indicators. In addition, changes in the country contexts in the region and in the U.S. policy environment for foreign assistance, will also influence the variables and indicators over time.

In the next phase of GDF/RS development, management of information will be facilitated by data bases in each ICS. Emphasis will be on furthering the integration of the results system into the normal workflow of project approval, monitoring, reporting and follow-up as well as longer range goal setting and planning. Data collection mechanisms will be standardized to the degree possible and the computerized database will be completed. The ultimate goal is to engage the full and conscious participation of grantees in an ongoing process of reflection and evaluation.

In the next year, three major activities related to the GDF/RS will occur. An independent contractor, working with grantees, will test the validity of the basic concepts of the GDF/RS and refine the variables and indicators. Subsequently, an independent contractor will field-test the validity of the data being collected and reported. And, a publication will be produced for audiences in Latin America and the Caribbean, describing GDF/RS and its uses.

Data interpretation and analysis will be the biggest challenge of the next year. The ability to conduct proper analysis is largely dependent upon the completion of the Foundation's MIS, replacing the interim database with a completely integrated version. Without integration into the larger body of information contained in the grant proposal, interim reports and other documents, the potential of the GDF/RS can only partially be realized.

After the above is accomplished, the Foundation will be able to integrate results data in a continuous learning loop. Information derived from the GDF/RS will document the outcome of grants, which are the primary vehicle of the Foundation's funding program. These results should reflect the Foundation's progress in achievement of its goals and objectives.

This learning loop should inform managers regarding program strengths and weaknesses and aid in the decision-making necessary to focus limited funds in the right direction. Grant outcome information should help the Foundation to establish performance targets and plans to achieve those targets within the agency's overall strategic plan. For example, a sequence of using results information was clearly demonstrated to Foundation staff in FY 1995 when the results of the quick survey of

active grants revealed success in an exploratory area of program activity--resource mobilization. The GDF/RS pointed the staff in the right direction and enabled the collection of critical information that validated the Foundation's efforts to date and confirmed the plan to proceed in this area.

Finally, it is important to remember two points above all regarding the GDF:

- •. it is not intended to be a static instrument, but will continue to evolve, and,
- •. it is intended to be one segment of a broader approach to monitoring and evaluation of grassroots development projects.

Attachment A   **Exhibit 1**

GLOBAL MENU OF INDICATORS

ORGANIZATIONAL CAPABILITY

VARIABLE: ADMINISTRATION

Definition	For Example...
• Capacity to assemble and manage the human and financial resources to carry out the institutional mission • Capacity to manage a business or productive activity.	Demonstrated ability to: ¡. put together a team of dedicated people with good inter-personal and technical skills ¡. prepare new leadership, capable of assuming management responsibilities ¡. use available resources efficiently and effectively ¡. establish good internal and external communication ¡. maintain clear, up-to-date, and accessible accounts ¡. achieve profitability and solvency (in cases of income-generating or production projects)

Indicator 1.   Management Capacity

Description: Management capacity in the following areas: human
        resources development, communication, financial
        management, accounting

Type: opinion

Unit of analysis: organization

Unit of measurement for the indicator: 5 point scale
                              1=very little; 2=little; 3=average;
                              4=high; 5=very high

EXAMPLE:

Human Resource Development	Communication	Financial Management	Accounting
2	3	1	2

Attachment A   **Exhibit 2**

GLOBAL MENU OF INDICATORS

COMMUNITY NORMS

VARIABLE: | ATTITUDES/BEHAVIORS |

Definition	**For Example...**
•. The way people deal with, or react to given situations, groups, or individuals; presence or absence of respect, tolerance, equality, etc. •. Breakdown of stereotypes	i. attitudes/behavior of the larger society toward: -women -indigenous groups -ethnic minorities -the disabled etc. o. attitudes of the public and private sectors toward NGO initiatives

Indicator 1.   Behavior in the face of socio-cultural diversity

Description: The degree to which the groups which form part of
        the project's social environment express, or manifest
        in their social behavior, attitudes toward: equality
        between genders; interaction with minority or other
        groups traditionally discriminated against, etc.

Type: opinion

Unit of analysis: society, community

Unit of measurement for the indicator: 4 point scale

1=rejection; 2=tolerance;
3=acceptance;
4=mutual respect

EXAMPLE:

Women	N.A. (not applicable)
Ethnic groups	3
Marginalized groups	2
Disabled	N.A. (not applicable)
Other (specify)	

Attachment A   **Exhibit 4**

<u>Ecuador Pilot Example</u>

FUNDACION NATURA, one of the nine non-governmental organizations included in the Ecuador results study, serves as a good illustration of the role of non-governmental organizations in "the common good." NATURA was founded by Ecuadorian professionals concerned with the deterioration of the nation's natural resources. Its main thrust is to raise public awareness of deforestation and erosion. It operates with a small salaried staff supported by an active board of directors and a fleet of volunteers. Funding comes from its local membership of 800, from the Ecuadorian private sector, and from international agencies.

Direct Benefits. Fundacion Natura has reached 50 percent of its potential audience of 20,000 with its environmental awareness campaign. Technical assistance has resulted in controlling the use of pesticides, and diagnosing and treating cases of toxic poisoning. In addition to specific agricultural techniques, 50 percent of the beneficiaries learned management and dissemination skills. The search for nontoxic farming methods has sparked a revival of traditional peasant lore and stimulated creativity among small farmers. Thirty-four percent of the beneficiary population is using alternative methods of farming and measuring yields.

Organization. Fundacion Natura's well-trained staff conducts strategic planning on a regular basis. The organization's leadership style—with emphasis on teamwork, shared decision-making, and respect for minority points of view—sets an example for the organizations with which it works. Natura maintains close ties with numerous other Ecuadorian organizations and is a member of ten worldwide networks. Though a large portion of its funding still comes from international donors, Natura has been more successful than most in establishing a local membership base and raising funds from the private sector.

Broader Impact. Through national and international fora and a series of publications, Fundacion Natura has succeeded in drawing the nation's attention to the problems of pesticides, deforestation, and erosion, and has drafted and helped pass laws regulating the production, importation, marketing, and use of pesticides and other chemical products which will have significant long-term impact nationwide. By marshaling citizens and government officials to cooperate on environmental problems which affect them all, Natura has helped bridge cultural barriers and break down stereotypes.

Attachment A **Exhibit 6**

SUMMARY OF BASIC ELEMENTS
of the
RESULTS SYSTEM

- •. The IAF Results System **is based on the Grassroots Development Framework with its 22 variables** and respective indicators.

- •. The IAF has identified a set of **core variables** which should be applied (where relevant) to all projects.

- •. One or two **"standard" indicators** have been identified and developed for each variable.

- •. **Discretionary indicators** can be identified and developed by grantees (in addition to or instead of the standard indicators), to allow for maximum flexibility.

Selection of Variables and Indicators

At the time a proposal is approved for funding, the ICS, the Foundation Representative, and/or the Grantee will select the variables and indicators they deem relevant to the project. The number of variables selected should be limited to those relevant to project objectives (probably between five and seven), or specific country strategy objectives of the Representative (possibly an additional two to three).

Registering information on indicators for each Variable selected

- •. "**point of departure,**" or initial status for each indicator, will be recorded prior to the signing of the grant agreement;

- **updates** during the project, in conjunction with regular monitoring visits (**at least once a year, and at the end of the grant**);

- **"post-project" status** , two years after the grant is concluded.

This information will be registered and maintained in a database by the ICS and submitted to the IAF, thereby facilitating grant, country and IAF level analyses.

Attachment A   **Exhibit 6**

The **data to be registered** include:

- unit of analysis
- unit of measurement
- source(s) of information
- method(s) of information collection
- illustrative examples
- comments on trends or context *
- observations on applicability of the indicator to the project
- who collected and who registered the data.

* This qualitative, complementary information is what gives perspective to the data and facilitates analysis.

Sources of information:

The possible sources of information include:

- •.   the beneficiaries
- •.   the grantee (entity which carries out the project)
- •.   the ICS
- •.   key observers (persons close to the community who can give an opinion on project results, e.g. teachers, extension workers, social workers)
- •.   third parties (individuals and/or organizations outside the community who are familiar with the grantee and/or the beneficiaries and who can give an opinion on the project results, e.g. another organization in the same network, a staff person in a government ministry).

The ICS is responsible for distilling the information and registering the most accurate data possible. Further quality control is provided by Foundation Representative and the Office of Learning and Dissemination.

Attachment B

<u>Lessons Learned</u>

- Participation of stakeholders is crucial in the development of a performance measurement system as well as in defining the common language that describes the common phenomena found in a variety of contexts.
- The "buy-in" of central office staff is equally as important as that of the contractors and grantees in the field.
- The system is easier to implement when it builds on information/evaluation systems and instruments that the grantees are already using, rather than introducing new instruments. It is not only important that the information be produced by the grantees, but that the utility for improving their program be recognized by grantees early in the grant period.
- It is easier to adopt the system and document results in projects where goals and objectives were clearly identified from the start.
- It is more difficult to apply the Grassroots Development Framework/Results System (GDF/RS) to ongoing projects and those which are approaching conclusion.
- Period of Performance continues to be a major dilemma as significant results often appear well after a grant has ended.
- The framework has specific shortcomings when applied to certain types of projects. For instance, work is underway to develop adequate indicators for productive enterprises and to ensure that issues of gender are taken into account.
- Required reporting at points at the beginning, during, and end of the project should be reevaluated especially for the intangibles. Comparison of data points collected during grant implementation on intangible data may be misleading since the information reported is highly subjective.
- In general, data is being collected on either the grantee's programmatic activities or on the growth and development of the grantee organization itself, but not both. Since the IAF is interested in strengthening organizations, both should be required.
- Variables/indicators monitored for each project must be limited to only those of highest priority and pertinence. Some grantees tended to report on as many variables as possible, including variables not entirely relevant to the project.
- Data collection instruments are most useful to specific grantee organizations when they are adapted to the specific conditions in which they will be utilized.
- An instrument to "translate" specific project data (from specific data collection instruments, programmatic reports, etc.) to the database can be useful and often necessary.

.   In countries where a standardized instrument is utilized in an attempt to create a uniform system of reporting, (e.g., a comprehensive questionnaire) it seemed to encourage grantee thinking that each variable and indicator requires a response, regardless of its pertinence to the project, thereby creating more work for everyone.

.   Data collection instruments and indicators should be tested and standardized before full-scale implementation. A phased-in approach to implementation would have allowed for more testing.

Attachment B

. Indicators defined in terms of scales are difficult to measure, let alone compare or aggregate across projects. Further development of scales is needed, including specifying the definitions of each point on the scales, and finding better "objective" proxies that can reduce the reliance on subjective scales.

. With scales that go from the negative to positive extremes, grantees tend to "rate" themselves higher than they may actually perform. A possible solution is to define the scales in terms of consecutive "achievements" rather than from "bad" to "good."

. Aggregation of intangible data based upon points on a scale can only be reported in general terms, e.g. 10% of projects reported an increase in self-esteem during the reporting period.

. Generally speaking, information on those variables that are measured in terms of scales cannot be reported until both the beginning and the end of the project data points are obtained. It is meaningless to compute averages or frequencies on organizations at varying points on the scale, because such determinations are made according to distinct criteria for each project according to the capacities of the organizations and the needs of the populations they serve.

. Although results information was supposed to be reported on a cumulative basis, difficulties have arisen indicating that opinions and estimates are difficult to provide in this way. This reporting requirement will be reevaluated.

. The indicators at the individual/family level are the most difficult to work with, and require the development of specific data collection instruments. For example:

•. The *income/employment* indicator has proved difficult to report in a cumulative manner by peasant families who rely on memory instead of records. Many project beneficiaries do not maintain records and existence is often of a day-to-day nature forcing them to focus on their current situation. Adjustment must be made to allow for approximation (or proxy).

•. Improvement in *basic needs* varies across projects and individuals. Thus, aggregation for this indicator can be misleading. For example, in a given housing project, some families will benefit from the program by receiving a new roof, others an entirely new home, and still others will receive the benefit of an upgraded sewage system. Of this project, all that can be said is that x number of families experienced an improvement in their housing situation.

. The importance of *context* as a backdrop and basis for interpreting results, and for understanding the strategy employed, or the process developed cannot be

overstated.

. The GDF/RS must be integrated and fully compatible with the new Management Information System to draw on other information in the analysis of results data (e.g. context).

. Reduction of ICS budgets has decreased the monitoring time with grantees, but the need for results data collection and analysis has increased. To date, experience has demonstrated that other important activities have been displaced by the work involved to meet the new data reporting requirements. The degree to which this occurred is impossible to ascertain, since ICS budget reductions reflect country allocations that implies a reduced workload in some aspects, such as the review of new proposals.

Attachment B

. Because some of the measures necessarily rely on informed opinion, ICSs are to verify data provided by grantees by consulting a variety of sources including "outsiders" and knowledgeable third parties; cross-checking data over time; and contracting full-fledged evaluations where warranted. But, in countries where ICS budgets have been severely reduced, verification of data submitted cannot occur on a regular basis so the confidence level is necessarily reduced. However, several ICSs report that data become more **reliable** as grantees participate in framing indicators and value the framework as an aid to assist them in improving their own performance.

. Results information on the variables that the grantee deems most important tends to be more reliable than information on variables which are secondary to the project.

. Trying to determine the degree of **causality** between results and a given grant may be neither practical nor germane. More relevant is an understanding of the relationships among results, strategy, and context that will help identify which development approaches work under which circumstances.

. In addition to the GDF/RS, other complementary, in depth studies that include diverse perspectives, should be conducted to fully understand and document results to increase the possibility of demonstrating strong association and attribution of results in specific instances.

. Among grantees and ICSs, as well as the Foundation, a fundamental factor in the successful implementation of the system is the existence of a central office person or team with the institutional responsibility for the implementation of the system. In addition, a minimum of resources (staff time, technical assistance, information management support) must be designated for these purposes.

. Strong, unambiguous executive support, especially in an environment of competing priorities and declining budgets, is essential for the successful implementation of a results information system.

Attachment B

. Because the IAF is still in the implementation process (less than a year, with preliminary data on less than 40% of the active portfolio), and because of the diverse range of instruments and methods being used to collect results information, the IAF must be circumspect about the use of the data. Any report of information based on the current contents of the database should be preceded by some general remarks and caveats about the quality and validity of the data and the degree to which the data is/is not representative of the entire portfolio. The following is a suggested list to interpret the information reported:

•. number of projects reporting, which represents a percentage of the IAF portfolio;

•. some countries have submitted very little data;

•. the data represents different points in the life of a project for each project -- therefore is not necessarily complete nor comparable;

•. different methods and instruments are being used in each country to gather information, which also affects the comparability of the information;

•. the quality and validity of the data may be weak in some cases in the early stages of implementation, but should improve over time with continued Results System implementation and improvements to the System.

. The Foundation's originally planned phased-in implementation of the GDF/RS would have permitted the following:

•. Increased participation of Foundation Representatives in data review, quality control and analysis, and to increase their ability to provide technical assistance to ICSs and grantees.

•. Indicators tested in a selected number of projects/countries and revised as necessary before full implementation, which would have produced better proxies for scales and improved scale definitions.

•. Data collection instruments fully developed and tested.

•. Completion of a reference manual and development of a training program prior to full implementation.

•. Implementation in six to ten countries in the first year after complete field-testing, and the remainder in year two.

•. Start-up with new projects and selected current projects and with focus on project histories and testing indicators on terminated projects.

•. Development of a more complete interim database with data management capacity, including enhanced user-friendliness, report creation, printing

capabilities, and very basic analytical functions. The database and all these functions would have been fully tested.

- •. Development of missing components of the results system, including: production/enterprise projects, context/strategy typologies, etc.

. Certain events operated against the rapid routinization of the results system:

- •. the complexity of the concepts of the Grassroots Development Framework for community level groups;

- •. the accelerated pace of implementing the system resulted in slowing the process down primarily due to the lack of sufficient time for field testing of indicators and data collection instruments; and,

    changes in the ICSs, including budgets and staff turnover.

Attachment C

How the Case Study was Developed

This case study was developed based upon meetings of key contributors as well as numerous in-house documents and abundant communications of the last four years between In-Country Service (ICS) personnel and the Office of Learning and Dissemination of the Inter-American Foundation. Recent field-travel and discussions with the personnel of five ICSs also provided valuable insight into the current status of the Grassroots Development Framework/Results System.

A preliminary version of this case study was prepared by two graduate students as a course assignment. After working with the students, IAF staff took charge of preparing a more comprehensive document in both scope and depth. The development of this case study required approximately 25 person days.

Documents utilized in the development of this case study include the following:

Grassroots Development Framework Reference Manual

FY 1997 OMB Budget Submission-Progress Report

Grassroots Development Framework Pilot Study - Ecuador

Grassroots Development Framework Pilot Study - Costa Rica

Grassroots Development Framework Pilot Study - Uruguay

Grassroots Development Framework Pilot Study - Dominican Republic

Grassroots Development - Widening the Lens; Grassroots Development - Journal of the Inter-American Foundation' Vol. 17:1; 1993; pgs. 42-43.

First Seminar in Evaluation in Central America, Panama and the Dominican Republic; a publication of the Inter-American Development Bank; December, 1994; pgs. 34-37.

Inter-American Foundation *1995 In Review; 1996.*