

## **Effects or Impacts? Synthesis Study on Evaluations and Reviews 1988 to Mid 1995**

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This is a synthesis study of major evaluations and reviews carried out from 1988 to mid-1995 for the Department for International Development Cooperation of the Ministry for Foreign Affairs of Finland, formerly known as Finnida. The purpose of the study is to provide an overview of the contents of these evaluation and review reports, discuss their influence on Finnish development cooperation activities, and find out what further lessons can be learned from them.

The main conclusions concerning Finnish-supported development projects and other activities can be summed up as follows:

- Finnish development projects and programmes have been fairly effective in the narrow sense of reaching their stated short-term objectives, but very little is known of their actual longer-term impacts.
- Efficiency, in the economic sense of the term, and sustainability of the activities seem to have been improving, but there was room for further improvement. It is too early to say to what extent goals will eventually be reached in these respects.
- Women and gender issues have been given much more attention than before; whether this will lead to a sustained improvement in their position is less clear. Also environmental issues have been given increasing attention.
- There are some structural weaknesses in the logical frameworks on which Finnish development activities rely. These make it possible to create a gap between the activities with their short-term outputs on the one hand, and the long-term development objectives on the other.

Concerning the evaluation reports themselves, they were found to vary greatly in scope, approach, and quality. Also their influence was variable. Mostly they were concerned with what can be called the management function of evaluation, and they gave less attention to its

accountability function. That is, they were undertaken more for the purposes of short-term design and management of the activities than for critical discussion and long-term guidance. In general, it seemed to be possible for them to influence the aid activities, but only under certain conditions and within fairly close limits.

When interpreting these conclusions, it is necessary to stress the limitations imposed by the source material and the method of the study. The study is based on the reading of a sample of existing evaluation and review reports. Only to a limited extent was it possible to check the picture they gave. In any case, a synthesis like this inevitably lags behind what is presently happening in the field, because it cannot take into account the changes that have taken place in the activities and in their environment since the original evaluation reports were written.

Because of these factors, this study does not fully reflect the advancement which has occurred in recent years in the way Finnish projects and programmes are designed, conducted and evaluated. Yet the study argues that a general complacency about the quality of Finnish development cooperation is somewhat premature, and the record of the overall Finnish aid performance still has additional useful lessons to offer for the further improvement of aid practices.

### **The study**

The period under discussion extends from 1988 to mid-1995. This was a period during which profound transformations took place in the environment in which Finnish development projects and programmes operated. Globally, the Cold War was over. Developing countries faced increasing demands for structural adjustment and different pressures for political reform. In Finland, development cooperation funds experienced an unprecedented rise and fall. All these changes have in many ways affected the record of the projects under review here.

The study itself was carried out in July 1994 - September 1995 by a team from the Institute of Development Studies of the University of Helsinki. The principal researchers were Dr. Juhani Koponen and Ms. Päivi Mattila-Wiro, M.Sc., M.A.; Dr Koponen was the team leader and the editor of the report.

While some changes were made in the original set-up of the study, it remains essentially based on the existing evaluation and review reports. An acquaintance was first made with almost all the more than 150 evaluation reports produced for Finnida from 1988 to mid-1995, and 62 of these were taken into detailed scrutiny. In addition, some limited fieldwork was undertaken in Tanzania and Nepal, and a number of project implementors and officials of the Department of International Cooperation were interviewed.

Although the sample of projects and other activities is not entirely representative, one can argue that it gives a fairly good cross-section of ongoing activities in Finnish development cooperation during the study period. It includes a considerable proportion of the major bilateral projects and activities in progress in all major recipient countries and in each of the sectors concerned.

The major limitations of the study lie not so much in the coverage of the activities as in the scope and quality of reports on which it is based. The reports varied greatly as to extent, structure, approach, and quality. Also their functions and purposes varied. The majority of the project-specific reports were mid-term reviews, or other interim evaluations, of ongoing projects and programmes, although there were also some post-evaluations undertaken after the completion of the project or a distinct phase of it. In addition, a number of broader thematic evaluations were included. Ex-post evaluations concentrating on long-term impacts were very few.

The overall quality of the evaluation and review reports varied, but could not be regarded as generally very high. Most project-specific reports concentrated on a few themes, with a concomitant neglect of other major issues, and presented their findings in an incoherent manner. Among wider thematic evaluations, the standard was consistently higher.

On the basis of such reports, it was found impossible to formally rate the projects according to their success. Although some projects were clearly progressing better than others, for the great majority it was impossible to say whether the performance could be termed satisfactory or not. A more descriptive methodology had to be adopted, which endeavours to convey an idea of what has or has not happened in the project and as a consequence of it.

Because of its methodology, the synthesis study cannot be taken as giving judgements of the actual performance of any project as a whole, or as presenting substantial comparisons between various projects and programmes. The aim is to give an idea of the overall picture which the evaluation and review reports convey regarding the contents and problems of Finnish development cooperation. Project- and programme-specific descriptions are only meant to contribute to that overall task.

### **Some conclusions**

Most of the conclusions which emerge from this synthesis study of evaluations and reviews carried out for Finnida from 1988 to mid-1995 relate to with Finnish development activities themselves and to those concerned with evaluations of these activities. In addition, there are some conclusions on evaluations and their effects.

### **Logical frameworks, rationale, and effectiveness**

One factor whose crucial importance became manifest in this study is the logical framework within which the various objectives of a project are set and the relationships between objectives at different levels are perceived. How the rationale of a project is conceived and how its effectiveness is evaluated are crucially dependent on how the objectives are formulated and how their interrelationships are conceived.

The projects and programmes in our sample were not very uniform or systematic in this respect. The main problem was found to lie in the fact that the frameworks which had been used allowed the activities to be concentrated on the achievement of output targets. They did not elaborate on the linkages leading from the attainment of the physical or institutional targets to the wider development objectives.

At the most general level, the overall justification for Finnish-supported development activities and the relevance of the objectives of individual undertakings were commonly taken for granted by the evaluators. Very seldom were any doubts expressed in this respect. Moreover, the Finnish aims were never discussed; rather, the rationale was discussed in terms of whether or not the projects and programmes followed recipient governments' national policies and corresponded to their national priorities.

Effectiveness, defined as the degree to which the activities had reached or were reaching their short-term or immediate objective, was found to be the strong side of Finnish development projects. In almost all sectors discussed, perhaps with the partial exception of industry and engineering, the overall effectiveness of the majority of Finnish projects was found by the evaluation and review reports to be reasonably or quite good: most projects had attained or were likely to attain most of their major immediate objectives.

However, effectiveness in reaching the stated objectives depends not only on the performance of the project but also on the way the objectives have been set. Although no firm conclusions were possible on the basis of our material, it appears likely that several projects were assessed as effective mainly due to the impressive number of outputs they produced in their own terms. Less attention was given to the question of how these outputs contributed to larger goals. That is, the assumed relationship between outputs and the objectives at different levels was left unanalyzed.

## **Impact**

Impact was the major unknown factor. It was astonishing to find how little information on the impact of Finnish bilateral development projects was conveyed by the evaluation and review reports discussed in this study.

The assessment of impact is admittedly a difficult task. This is so even with planned development impacts. Views on development impact may change greatly as time goes by. The question of other, unintended and unforeseen consequences of development activities is still more difficult to tackle systematically. Very few reports paid even fleeting attention to them.

This was not only the fault of the evaluators. It appears that the projects themselves, in their planning and monitoring, had given relatively little weight to impact. In most of the projects, both baseline and up-to-date monitoring data were inadequate or missing.

## **Efficiency**

Efficiency, measured as the economic relationship between the inputs and the outputs of the project, was given low priority both in projects (and other activities) and in their evaluations. Yet it was evident from the reports that there was considerable room for improvement in this respect. Many Finnish projects, or their major phases reviewed here, had clearly been designed and implemented with other requirements than economic efficiency in mind. There were clear indications, however, that some improvement had more recently taken place.

High project costs were often due to the very 'Finnishness' of the activities. There were two major components raising the costs of an aid project: expatriate personnel and supplies from abroad, mainly from Finland. Both these have been cut during the last few years.

## **Sustainability**

Sustainability, in its environmental, financial, institutional and social dimensions, has become a major issue during the time covered by this study. It is now given serious consideration in all the activities. Although all projects have not been able to keep up with the speed of the change, it appears clear that sustainability of Finnish projects has considerably improved during our study period. Still, it is too early to give an assessment of the long-term success of the new approach.

## **Gender issues**

Also gender-sensitiveness, in the sense of 'attention being given' to women, has been greatly heightened in Finnish development projects during the time frame of our study. Some major gaps remain, however (infrastructure and industrial projects); and what attention to women entails in practice is by no means unambiguous.

As far as orientation of the projects towards women as preferred target groups is concerned, a number of Finnish bilateral projects score quite well, especially in agriculture, rural development, forestry, health, water and education. To what extent this targeting from above has become a

reality from below, at the grassroots - and how women have actually benefited from the projects - is a much trickier question, however. There were few activities addressing the relationships that keep women disempowered.

### **Critical problems**

A number of critical problems which had prevented the Finnish projects, or the phases of them discussed in this study, from attaining their maximum effectiveness and ultimate goals were identified in the study.

Among the major problems that stemmed from the design or organization of the project were: the ambiguity of objectives and a poorly defined logical connection between longer and shorter term objectives and outputs; over-optimistic time frames; a donor-driven mode of cooperation resulting in top-down planning and parallel implementation structures; reliance on inappropriate imported technologies; complicated and cumbersome administrative structures; and gaps and breakdowns in communication.

Problems related to the external environments in which the projects were working were often connected with macro policy environments, especially with unanticipated changes in them; while others were encountered in the more immediate micro environments in which the projects and programmes operated. The most visible of the latter sprang from an inability or unwillingness of local partners to carry out their part of the commitment. Yet, perhaps the most important - and most inadequately understood - factor was the social and cultural environment.

Underlying all these problems was a poor knowledge base: insufficient, poor or missing data, especially a lack of socio-economic baseline and cultural background data, and poor monitoring systems; a lack of thorough understanding of social and cultural factors; and inadequate understanding of the implications of policies, as well as inflexibility in adapting to changes in them.

It is appreciated that lessons have been learned and major changes have happened in the approaches of Finnish development cooperation during our study period. Yet some major internal problems remain, and new ones may be appearing.

### **Comparative perspective**

In order to put our results in a larger context, some comparative materials were presented from evaluations of earlier Finnish projects in the 1980s and a selection of projects of some other donors such as Norway, the European Union and the World Bank. Although direct comparison between them and our materials was possible only to a limited extent, a number of broad similarities and as well as some significant differences were found.

Compared with earlier Finnish projects in the 1980s, major changes had happened with respect to sustainability and what are called cross-cutting issues of gender and environment, which were now given more explicit attention than before. However, many problems seemed to persist. The factors decreasing effectiveness, efficiency and impact continued to be much the same, although they were formulated differently and the relative emphasis placed on them had changed.

Compared with international experiences, both similarities and differences emerged. The direction of changes in Finnish development cooperation was clearly following the lead of other donors and DAC, but it was lagging somewhat behind the front runners.

How the performance of Finnish projects in general compared with that of the other donors cannot be said on the basis of our study, but the impression gained was that the difference between Finnish projects and the others could not have been very great.

The Finnish projects had in common with the others a strong emphasis on and relative success in implementation, especially in that of projects of whose nature was predominantly technical. Problems apparently shared by all the donors reviewed here were related to project design and planning.

### **Technical assistance and NGOs**

In addition to bilateral projects and programmes, also other modes of aid activities are discussed in this study. These include technical assistance personnel (TAP), i.e. expatriates coming from Finland to developing countries as experts or volunteers; and development work of various Finnish non-governmental organizations (NGOs).

Although the number of expatriates working in Finnish development cooperation as TAP has been greatly reduced during the years of falling appropriations, and their functions have been transformed, they still play a vital and visible role in several endeavours.

TAP were found to be problematic in many respects. The original rationale for their employment - filling the gaps in the personnel structure in developing countries - had lost its relevance, and their presence was often seen as militating against sustainability. They were also very expensive to employ and maintain. Yet, to some extent, TAP were found to be indispensable.

Concerning NGOs, the evaluations discussed in this study left the underlying big question about the assumed superior quality of the developmental work of NGOs largely unanswered. In general, the Finnish NGOs in development and the Finnish volunteers were found to share the same virtues and vices as most other NGOs. Their development impact was regarded as modest and their effectiveness as mixed. Nevertheless, in many cases they had been able to reach poor people whom the governments concerned were unable or unwilling to support. Their cost-effectiveness varied greatly, but was by and large better than that of official agencies.

A major problem affecting the development work and impact of NGOs was that they had been weak in systematizing and learning from their experience, although this at times had been quite innovative and worthy of wider application.

### **Aid and export**

Also some controversial forms of cooperation, combining development aid with the promotion of Finnish exports and other economic interests, are discussed in the present synthesis. They had been assessed in a variety of ways by evaluators. Technically, they were found to have been smoothly executed; but the most thorough assessments doubted their value, both from developmental and export promotion points of view.

Among activities meant not only to further economic development and welfare in the recipient countries but also to promote Finnish economic interests abroad, the following three are discussed: Finnfund, the Premixed Concessional Credit Scheme, and the Finnida Consultancy Trust Funds. They were assessed from both development and export promotion points of view.

From the developmental point of view, few of these activities were found to be very effective or to have much impact. Especially if seen against the present overall Finnida objectives such as

alleviation of poverty, combating global environmental hazards and fostering equality, democracy and human rights, their role as instruments of development aid was found to be problematic.

Concerning the validity of these activities for the promotion of Finnish economic interests in developing countries, there was some disagreement among the evaluators. Although some Finnish evaluators argued that they had been successful in this respect, others were not convinced. Particularly concerning the premixed concessional credit scheme, the argument was put forward that it was an expensive instrument for export promotion, due to the large amount of interest subsidies needed and the relatively marginal impact.

An obvious impact of the schemes was a diversion of Finnish development aid funds from Africa to Asia, and from poorer countries to those that are called emerging economies.

### **Evaluation and review reports**

The overall quality of the evaluation and review reports was found to vary greatly, but could not be regarded as generally high. None of them was assessed as excellent, a number were good, a much larger number satisfactory, and some were poor. In general, ex-post evaluations, thematic and other broader evaluations, conducted since 1991, were consistently found to be of higher quality: more methodical in their approach and better disciplined in their argumentation.

Whether or not the general quality of evaluations was improving could not be determined on the basis of our material, but it appeared possible that some improvement had happened.

Two major faults were identified in the project-specific evaluations. Firstly, the attention was overwhelmingly focused on the achievements, performance and outputs of the project or programme and the various problems encountered there. The second fault was the lack of internal coherence in argumentation. The reports interlaced their more and less appreciative or critical points in a seemingly random way, which gave considerable leeway as to how to draw the conclusions and lessons to be learned.

Whereas issues such as sustainability and gender were increasingly included in the evaluations, the analysis of impact and economic efficiency remained weak.

Many factors of a technical or methodological nature were found to affect evaluation. The composition of the evaluation and review missions was often dominated by technological and administrative competence and economics, to the detriment of social sciences. There was much variation in the terms of reference (TORs) of the missions. The existing guidelines for evaluation date were outdated. The methods employed by the missions were of a fairly common-sense kind.

However, it was argued that evaluation had become such an integral part of the development cooperation process that it was bound to be affected by all the factors affecting development cooperation as a whole, such as deficient logical frameworks or poor knowledge bases.

### **Recommendations**

A great number of recommendations were put forward in the evaluation and review reports examined in this study. The study itself rephrased and reformulated those which were found to be the most urgent, and added a few recommendations of its own.

Concerning the activities, it was considered that the most urgent tasks were those of focusing on the attainment of impact and reducing the costs, by the following means:

- The logical frameworks and their underlying assumptions have to be rethought; and the various guidelines, including the Guidelines for Project Preparation and Design from 1991, revised. However, the necessary flexibility must be maintained. A logical framework must not become a straightjacket.
- Knowledge bases and their use must be improved. This requires adequate monitoring and more research. Especially social and cultural factors need much more detailed attention. Before producing more data it must be made sure that the existing data are used.
- Participatory approaches and integration of Finnish-funded activities into recipient structures have to be continued and deepened.
- Requirements for sustainability need clarification. More financial responsibility should be given to the partners in developing countries. Economic efficiency has to be sought, even if it means less reliance on Finnish personnel and procurements.

Concerning evaluations, it is important to raise their quality by the following means, among others: more resources, new guidelines, increasing involvement of the partners from developing countries, more social and cultural expertise, and more broader thematic and other such evaluations as well as ex-post evaluations. The consultancy company mode of delivering assistance would warrant a major evaluation of its own. Evaluation results should be made more accessible in compact and timely publications, and through other more innovative and interactive forms of feedback.