

## Reply to Hellmut Eggers' Comments on "An Association to Improve Evaluation of Development Aid"

Paul Clements

*Western Michigan University*

First I would like to thank Hellmut Eggers for his thoughtful comments on my paper. I hope we can collaborate on the project we both hold dear, improving evaluation of development aid! I am particularly grateful for the opportunity to reply to his comments. Given the wealth of experience that they represent, they give me a chance to significantly deepen my own argument. I need to mention that when I received his missive I was in the process of responding to very helpful comments from two other anonymous reviewers. The text of my paper includes these responses, so it has a few changes from the one his comments address. Of course his comments also came to me anonymously, but I learned his identity in reading the articles he references (2.2) in this journal and in *Evaluation*. I will try to respond to the substance of these articles as they relate to my proposal, but I can hardly do them justice in these brief comments and I encourage the reader to consider them in full.

While Eggers agrees about the need to improve aid evaluation, he argues, first, that improvements should be oriented around his construct of Project Cycle Management (PCM) rather than by a focus on impacts and cost-effectiveness. Second, he rejects the idea of a professional association on the accountants' model, arguing instead that reforms should initially be organized by a network of university departments (Network Development

Cooperation Evaluation, NDCE), which in turn would work out a proposal for a common action plan. I think these disagreements are based on two main differences in substance. First Eggers does not appear to accept that reforms need to alter the incentive environment facing development professionals, and second, based partly on ambiguities in my original paper, he misunderstands my idea of impact assessment, arguing instead for a kind of holistic approach to project analysis (PCM) making use of the logical framework and the DAC criteria.

Eggers agrees that the structure of development assistance generates incentives for positive bias in evaluations, but he argues from his own experience as head of the evaluation division of the EU Commission Directorates General for Development and for External Affairs that these incentives can be resisted (2.1). While I am happy to concede the specific point, I do not think his individual probity undermines my argument. Generally development agencies face competing pressures in regard to evaluation. On one hand the idea of professionalism in development management cannot be sustained without some role for evaluation. At the level of the organization it is clear that evaluation is needed for learning if not for accountability, so anyone who is committed to development finds themselves committed to evaluation. On the other hand, when someone is directly responsible for an intervention they

are likely to have mixed feelings about evaluations over which they have no control. These feelings may be heightened when things have gone less well than originally expected. Add that perceptions of poor results may undermine subsequent access to resources at all organizational levels, and what starts as an individual misgiving is likely to turn into an institutional pattern (although a determined individual at the top may well be able to swim against the stream).

My paper also argues that development assistance lacks the structural accountability of the market and of the electorate, and that the demands that international development places on learning are particularly great. Evaluation International represents a structural response to a structural problem. The structural nature of this response depends on the definition of “impacts” (as well as on the role of the standards committee), so Eggers’ misunderstanding of my view here contributes to the differences in our perspectives. In fact the “master principle” of Eggers’ PCM (2002, p. 499; 2006, p. 44) parallels the role of impacts in my proposal. His first principle states, “the specific objective (or the purpose) of development projects, programmes and policies must always be expressed in terms of sustainable benefits for the target group” (2002, pp. 498-499). Then Project Cycle Management revolves around securing these benefits. My definition of impacts, which is widely held in the development community but which I neglected to state in the original paper, is “changes in the conditions of impactees compared to the situation one would expect in the absence of the intervention.” Once Eggers interpreted my view of “impacts” in the logical framework tradition, as “mak[ing] sure the specific objective, once reached, will contribute to the wider objectives of the development policy pursued” (plus some element of achieving the project purpose; 2.4), it is not surprising that he was less than convinced by my overall proposal.

As I hope my paper now makes clear, EI evaluators will be expected to estimate and sum together all the main impacts attributable to an intervention, past and future, quantitative and qualitative, intended and unintended, which are legitimately important to any stakeholder, even in the absence of evidence generated with experimental or quasi-experimental designs. Also, my “cost-effectiveness” expresses the relative magnitudes of total impacts and total costs; it is not the lowest cost means of achieving objectives, as Eggers seems to have it (2.5). My “maximizing impacts” is roughly equivalent to Eggers’ “sustainable benefits for the target group,” except it allows for benefits that are highly subsidized and hence not sustainable in the ordinary sense of the term but that may nevertheless be cost-effective. Estimates of impacts and of cost-effectiveness, in turn, provide a basis for accountability that I do not find in PCM, as evaluators trace the reasons for high or low cost-effectiveness back to project design and implementation. And it is the expectation of accountability that alters the incentives facing development managers. Now they will anticipate that their strong management will be rewarded and their weak management penalized.

The second and third principles of Eggers’ PCM are:

2. all of the essential criteria for successful project/programme preparation, implementation, and evaluation, that experience teaches us, should be considered; and
3. there should be sound decision-making discipline all along the project/programme cycle (2002, p. 500).

The second principle involves things like doing a needs assessment and working out a strong logical framework. Eggers is arguing that certain standard management systems should be maintained (which is not as easy as it sounds), and I agree. However my proposal generates an

additional source of motivation, beyond the innate desire to do good, for their effective application. His third principle specifically addresses political pressures, on both the donor and recipient side, that are often found to be responsible for weak project management. "It may not be easy to convince political decision makers to change their ways and to put target group interests first," Eggers writes, "But it is not impossible" (2002, p. 500). It seems to me not too cynical to think that political decision makers generally are and will continue to be conditioned to view aid politically. EI aims to establish counter-incentives, if you will, to help development agencies to build management systems and cultures that can generally maintain a focus on maximizing impacts (or sustainable project benefits) despite political pressures.

My entire proposal depends, however, on EI evaluators actually being able to make estimates of impacts and cost-effectiveness that are good enough to provide a reliable basis for accountability (as well as for learning). Their knowledge of the literature on the relevant sector and of evaluations of similar interventions (sometimes including evaluations with experimental designs) will help them to draw inferences from evidence they glean from project records and from their own direct investigations. We should also note that even impact estimates that are somewhat imprecise may still provide a reliable basis for learning and accountability. I agree with Eggers that a large part of EI's guidebook should be drawn from existing sources, but EI will need to go further particularly in developing principles and conventions for making impact estimates. On one hand these principles and conventions will help to make impact estimates more reliable and precise. On the other hand they and the standards committee that defends them offer protection from positive bias, anchoring EI evaluators' independence.

If impact estimates in all EI evaluations are consistent with the same set of principles and conventions, this will render the estimates

consistent also with one another, so they provide a stronger basis for learning and for accountability. Eggers argues that PCM too provides a basis for consistency (2.2), but it is only consistency in management systems and in questions asked. The closest approximation in established practice to the analysis of impacts and cost-effectiveness that I propose is found in economic rate of return (ERR) analysis. While ERR analysis has been applied to development projects for at least 50 years, it has had no institutional defense or basis for consistency such as EI offers, and the majority of ERR estimates that I have seen for completed projects (when I have also seen the underlying analysis) have appeared to me to be positively biased.

I think that most of Eggers' complaints against my conceptions of impacts and cost-effectiveness (2.5) are addressed now that I have explained them more clearly. They pretty much cover economy, effectiveness, efficiency, sustainability, and impact as in his presentation of the DAC criteria (2006, p. 40). However he also argues that I miss the remaining DAC criterion, "relevance," and that it should be included. Eggers defines relevance as "tackl[ing] problems that are worthwhile to be solved" (2006, p. 40) and as "[s]olving the problems the target group faces" (2.6), not (as some have done) in terms of consistency with donor and government strategies. While establishing relevance is an important part of planning, my reply to Eggers is that from the point of view of evaluation, impacts and cost-effectiveness adequately cover the territory of relevance as well. Since we presume that positive impacts are "goods," any intervention that has substantial and highly cost-effective impacts must have been relevant, even if these impacts were not high on the beneficiary population's stated list of priorities when the intervention began. For example, members of a particular community may not say that they place a high value on improving children's health (perhaps due to fatalism), or on increasing girls' education or

women's empowerment, but impacts in these areas are still important. Donors sometimes may value delivering benefits to the poor (rather than, say, to local elites) more highly than beneficiary communities do. Since donors provide the resources, and since evaluation serves learning and accountability first for donors (and for the implementing agencies they fund), it is their values that should weight impacts for calculating cost-effectiveness. The views of beneficiary communities must of course be taken into account in project management.

Eggers has argued that EI is "way too bureaucratic" and expensive, and that scientific authority "cannot be 'allotted' to a newly established entity!" (2.8). I can only reply that I can think of no more efficient way to counterbalance incentives for positive bias and also to generate reliable and consistent estimates of impacts and cost-effectiveness in routine evaluations. I expect that due to their analytic rigor, EI evaluations will tend to be patently more helpful than most contemporary evaluations, as well as providing a stronger basis for accountability and for learning. Like any other management tool they should be judged by their cost-effectiveness, but it seems plausible that they could be highly cost-effective. However the incentive effects that I have discussed only arise if managers expect that their intervention will be subject to an EI evaluation. The different features of EI work as a package, so the start-up costs are indeed significant. In making the comparison with associations of accountants I have noted that they "control entry to the profession" (2.10), but of course EI would only control entry to EI. EI should aspire to become the standard for aid evaluation for those interventions that are properly subject to impact assessment, acknowledging a distinct role for a small proportion of evaluations with experimental designs. But this is only an aspiration. While EI should collaborate with or possibly operate under the banner of an already established

association (e.g. the International Development Evaluation Association, the American Evaluation Association), in fact no one is currently performing the functions that I have proposed for EI or for its standards committee, certainly not in the international development arena.

It is my hope, Hellmut Eggers, that this exchange can be the beginning of a fruitful collaboration.

## References

- Eggers, H. W. (2002). Project cycle management: A personal reflection. *Evaluation*, 8(4), 496-504.
- Eggers, H. W. (2006) Planning and evaluation: Two sides of the same coin. *Journal of MultiDisciplinary Evaluation*, 3(6), 30-57.