



## Impact Analysis of Development Cooperation is Feasible

With the new “orientation towards impacts” from the planning to the evaluation of development projects, development cooperation has set itself the goal of becoming more effective and more transparent. This has made impact analysis highly topical. Besides accountability, the goal pursued with them is to learn from the results of development policy interventions, i.e. to formulate best practices where possible or to correct mistakes where necessary.

In the wake of the programme and budget orientation of development cooperation, development policy is tending to be implemented at an ever more highly aggregated level. With development cooperation geared to the Millennium Development Goals (MDGs), however, the hoped-for impacts are also being increasingly sought at the level of the people, i.e. at micro level. With the interventions occurring at macro level and the impacts at micro level, the attribution gap between certain interventions and impacts is becoming even wider.

The scepticism of the professional world about the feasibility of impact analysis is therefore tending to grow. With the increasing orientation of development cooperation towards programme and budget aid, the accurate definition of donor contributions to the achievement of certain goals may wane in significance, but it will continue to be important to determine what interventions have what impact and why. Consequently, impact analyses and the associated difficulties will still be an issue when the expected change of direction in development cooperation has been completed.

This paper argues that impact analysis is feasible today and will be feasible in the future. To take the conceptual debate a step further, four challenging propositions are put forward and explained after the subject has been introduced. An approach to coping with the methodological difficulties is also presented.

### What are impact analyses?

Impact analyses examine the impacts of interventions to determine what contribution they have made to the achievement of an overriding objective of development policy (e.g. poverty-reducing impacts of water reforms in a country). In this, impact analyses differ from mere monitoring, in which impacts are not attributed, since either the emphasis is on the development trends themselves or it is clear from the outset that a given impact can be regarded as the direct consequence of certain interventions (in the case of output and most outcome data; see Box 1).

While the inputs, outputs and, to some extent, outcomes of an intervention, and development trends too, can usually be measured quantitatively, this is hardly possible with impact analysis. This is because the development trends in a country are not triggered solely by one intervention, but represent the sum of all the influences of many internal and external variables (hence gross impacts). Isolating the net impact of an intervention and presenting it in the network of the impacts of numerous variables by quantitative means is, however, still impossible. The difficulty in evaluation research is that the num-

ber of comparable cases (e.g. programmes) is small, whereas the number of variables having an influence is large. This makes it virtually impossible to arrive at significant data when statistics are employed. In impact analyses, therefore, a qualitative procedure must normally be used, even if some sections of the professional world continue to dream of the quantitative definition of donor contributions to the achievement of objectives.

Impact analyses typically consist of before-and-after comparisons. But as suitable before-studies are not usually available, most analyses are based on their reconstruction. This is acceptable in principle, as long as it is done systematically. In practice, however, information gleaned from documents and interviews is frequently mixed with the analyser's own perception, with the result that the findings are not really comprehensible. As the manner in which controversial information is to be handled has not, moreover, been clearly defined in qualitative research, biased findings cannot be ruled out. Public acceptance of those findings is therefore often correspondingly limited. But qualitative methods may also be valid if applied with suitable validation techniques (e.g. cross-checking with data from other sources).

| Box 1: Definitions |   |  |
|--------------------|---|--|
| Intern./ DAC       | Designations (with examples)  | Derivation/ level of analysis          |
| Development-Trends | Trends relating to the over-riding objective (e.g. national development trends) | Starting from the context (population) |
| Impact             | Impact of the intervention (e.g. water supply) on the above trends              | Linkage: context / intervention        |
| Outcome            | Direct benefit / direct impact of the intervention                              | Starting from the intervention         |
| Output             | Achievements  | (programme / project)                  |
| Input              | Intervention / measures   |  |

The development organizations in Germany today use set evaluation procedures up to outcome level. Although longer-term impacts are assessed, for example, in the KfW's final evaluations and the BMZ's cross-section analyses, set methods and systematic surveys of actors do not exist for this purpose.

In international practice impact analyses are more frequently carried out ex ante with the aid of hypothetical impact chains. Although this is appropriate for impact-oriented planning, it is no substitute for the analysis of de facto impacts. It is, however, de facto analysis which is considered in this paper.

It is argued here that the present set of development cooperation instruments should be so supplemented with focused impact analyses that portfolio analyses are possible. This is best done with a logically structured, standardized set of instruments that also allows aggregation of data and is used cross-sectorally. This is important because only an approach of this kind will enable, for example, the impact of the whole portfolio of German development cooperation in a country to be evaluated.

#### Box 2: Four provocative propositions

**Proposition 1:** Although negative side-effects of development cooperation measures should not be accepted, they should be seen as "normal".

**Proposition 2:** Although the pre-formulation of impact chains is appropriate in the planning of development projects, it is an obstacle in the analysis of de facto impacts.

**Proposition 3:** Impact analyses should be designed to be participatory as a matter of principle; this is true even for impact analyses of political reforms.

**Proposition 4:** The basic methodological framework for impact analyses should be the same from micro to macro level and whatever the sector.

**Proposition 1: Although negative side-effects of development cooperation measures should not be accepted, they should be seen as "normal".**

No other area is purported to have so many "good intentions" and yet deemed to be so "useless" by the public as

development policy. Despite this, development cooperation does not differ fundamentally from other areas of policy.

In reform processes at national level in particular there are always winners and losers even in development cooperation. The mere existence of disadvantages, however, in no way automatically calls intervention itself into question, as is often feared. Instead, there should always be a process of weighing up, the concealment of side-effects being the real negative aspect. The aim of impact analyses should therefore be to cover the whole spectrum of impacts and to recognise them early enough for unwanted impacts to be cushioned or taken into account. While successes should be acknowledged, failures should not be denied, but used to optimize the common effort.

**Proposition 2: Although the pre-formulation of impact chains is appropriate in the planning of development projects, it is an obstacle in the analysis of de facto impacts.**

The idea that dominates among evaluation experts is that impact analyses should begin with the intervention, i.e. the programme or project, and follow the pre-formulated impact chains or examine them. It is argued here, on the other hand, that this approach does not lead to the desired objective, since it obscures unexpected impacts. For the possible utilization of analysis findings, error adjustment and the formulation of best practices, however, a knowledge of these surprising impacts is fundamentally important

Proceeding along impact chains also results in the systematic overestimation of the impact of individual measures and in the concealment of external or other impacts. It entails monocausal links, although our own experience of life shows us that objectives and impacts are achieved not in one way, but in many, and may also be thwarted by other influences. Reality is characterized by the interaction of many variables, which may impede, stimulate or neutralize each other. Recognising the network of impacts, however, requires an open approach without pre-formulated impact chains. An open approach does not mean looking for a needle in a haystack. Provided that an outline concept with key criteria describing the goal system to be evaluated is established at the outset and that the processes of change are evaluated together with the major actors, the approach can, on the contrary, be purposeful and straightforward.

Key criteria are best defined with the aid of existing concepts described in the literature: for a goal system such as "poverty reduction" the key criteria adopted may be, for example, "improvement of living standards, access to resources, expansion of knowledge and participation in rights and power". Interest in gaining an insight always plays a part in this context. The adoption of a fixed set of criteria for each goal system enables data to be compared and aggregated. The sub-criteria to be attributed can be identified in advance or defined by participatory means.

The first step in an impact analysis should be to determine the development trends (i.e. the “context”) in the programme region concerned. The analysis period should exceed the intervention period somewhat. Attribution to interventions should occur only as the second step. This context-oriented approach virtually puts the cart before the horse: the starting point is not the intervention but the environment or reality (e.g. in an institution) as it presents itself to the actors (see Box 3).

**Proposition 3: Today impact analyses should be designed to be participatory as a matter of principle; this is true even for impact analyses of political reforms.**

Recent years have shown that the involvement of actors and stakeholders in evaluations produces results which are better and more relevant to implementation than evaluations by external experts. Actors or target groups are best able to judge impacts where they operate, and only they are capable of describing impacts with a high degree of authenticity.

**Box 3: MAPP (Method for Impact Assessment of Programmes and Projects)** is an actor-centred method devised by the German Development Institute (GDI) and requiring an open approach. With MAPP, the impacts of more than one project can be examined simultaneously, and contributions to the MDGs can be deduced in qualitative terms directly from the results.

MAPP consists of a set of seven logically structured instruments. To bridge the attribution gap, the development trends are first surveyed on the spot in stakeholder workshops with the aid of key criteria. To this end, a **life line** and a **trend analysis** are prepared, both including – like all the following instruments – the awarding of points and an overview of, for example, the development trend in the previous decade (gross impact).

Developments are not attributed to interventions as snapshots until the third and fourth instruments are used. **Cross-checking** with other sources of data is followed by the compilation of an **intervention list** containing information on measures and counterparts and donors, relevance, beneficiaries and local contributions and fitting them into a financial and labour framework (input/output).

With the fifth instrument, the **influence matrix**, the connection is now made between development trends and interventions (impact/possibly outcome). The positive and negative influences of all interventions on all criteria are awarded points. Passive and active totals are formed, the active total indicating the key interventions, the passive total the heavily or slightly influenced development criteria.

The **development and impact profile**, the first interpretation step, isolates the main influences among other things. Depending on the uniformity of the overall trends, it also reveals the vulnerability of development. The **attribution of impacts to specific MDGs** and **participatory development planning**, in which the so far only slightly influenced criteria serve as the point of departure for new planning, can be added as the seventh and eighth instruments.

| Criteria                | Factors | P1: water programme | P2: decentralization programme | P3: anti-corruption law | Passive total |
|-------------------------|---------|---------------------|--------------------------------|-------------------------|---------------|
| Living standards        |         |                     |                                |                         |               |
| Income                  |         | + 3                 | -2                             | + 3                     | + 6 / -2      |
| Agric.yields            |         | + 5                 | +/- 0                          | + 3                     | + 8           |
| Access to resources     |         |                     |                                |                         |               |
| Land                    |         | +/- 0               | +/- 0                          | + 3                     | + 3           |
| Water                   |         | + 5                 | +2                             | + 3                     | + 10          |
| Knowledge               |         |                     |                                |                         |               |
| School attendance, etc. |         | + 1                 | +2                             | +/- 0                   | + 3           |
| Passive total           |         | 14                  | +4 / -2                        | +12                     |               |

Explanation of the influence matrix: Programmes 1 and 3 (P1 and P3) are shown to have many, mainly positive impacts on the poverty situation, whereas the decentralization programme has (so far) had few positive impacts, and negative impacts on incomes are perceived. The workshops clarify why such surprising impacts exist and what relevance they have from the participants' point of view.

Conceptually, participatory impact analyses have therefore long since gained acceptance, though in practice they are still rarely carried out because it is feared that they will be very time-consuming and that the statements will be too “subjective” and specific. Yet the time taken can be limited if the random samples are carefully selected and goal-oriented instruments are used to structure the discussions. For example, particularly successful, typical and unsuccessful communities in the programme region can be selected for evaluation, thus enabling the range of impacts to be covered with the least possible effort.

The “subjectivity” of statements mentioned above does indeed occur in participatory surveys, but to a lesser extent than in individual interviews. In workshops attended by different interest and social groups mutual correction and reasoning leads to “communicative validation” of verbal data, which may be far superior in their informative value to the conventional mean of many different statements made in individual interviews. Actual evaluation differences can be described as disagreement. Disagreements often help to clarify problems of which there was previously no more than a vague perception. A requirement for communicative validation, however, is the existence of a discussion culture in the society concerned, participatory methods otherwise having their limits.

In the case of interventions relating to the promotion of democracy or poverty alleviation in particular, the involvement of actors should be a matter of course today, or should at least be attempted. The explicit aim is, after all, to increase the influence of civil society in decision-making processes. If this is not possible from the outset because of reservations in the country concerned, the first

step should be to seek ways of involving actors in certain aspects of evaluations, with the aim of progressively increasing participation, since the involvement of actors and target-groups in evaluations has important side-effects: it promotes ownership and leads to empowerment and capacity-building. These are precisely the reasons why such approaches are viewed with suspicion in non-democratic countries or societies.

On the other hand, how far participation should go remains an open question. The unrestricted involvement of actors would mean the counterpart or donor giving up room for manoeuvre and their standards. If it has still to be decided how to cope with controversial views held by the actors, the result may be endless communication loops. A balance must therefore be struck between participation and non-participation.

Ideally, the actors themselves should carry out the basic steps in impact analyses in accordance with a defined set of instruments. In addition, the organizational structure should be located in the developing country rather than the donor country. Initially, therefore, the evaluation team has the role of moderator or facilitator to play, its only task being to pool the results of different evaluation workshops, which may require expert missions from donor countries, since they too are stakeholders. In the summary appraisal the standards of impartiality and transparency formulated by the Deutsche Gesellschaft für Evaluierung (DeGEval) and others should be applied. Gaining acceptance for these standards is a political rather than a methodological matter, and one that may be highly explosive.

**Proposition 4: The suitable methodological framework for impact analyses should be the same for all levels of intervention and for all sectors.**

Taking account of the vertical differentiation of social phenomena, i.e. of the phenomenon that every institution can be fitted vertically into an institutional setting, yet consists of individuals, reveals the equality of the various levels of aggregation – macro, meso, micro: the higher the level of aggregation at which intervention and evaluation occur, the more important it is for the social system concerned to be differentiated vertically. For each social macro phenomenon can in itself be differentiated vertically to such an extent that it can be operationalized: nation states or governments (macro level) maintain institutions (upper meso level) which implement the government's decisions and take decisions themselves. The latter decisions are in turn implemented at a lower level, where they take effect locally within the institutions

(lower meso level), but mainly at the level of the people (micro level). To obtain informative results, it is therefore necessary to incorporate "intermediate stages" into impact analyses. Of primary concern should be the implementation of the measures, before the impact analysis is carried out. The decision and, in part, its implementation can be evaluated at macro level, implementation and, in part, its impacts can be evaluated at meso level, and, above all, the impacts can be evaluated at micro level. The impacts which are always primarily evaluated are those which the group of actors involved are best able to assess; the groups are composed accordingly. It also makes sense to involve selected persons from the next higher and lower levels. A step-by-step approach of this kind permits down- and upscaling and thus learning beyond the various levels.

The basic methodological approach in impact analysis, however, can be the same not only for the levels but also for the various sectors (e.g. rural development, promotion of the economy, decentralization). As the sectors concern substance, they usually have no major influence on the methodological approach. In this way, evaluation professionals could use their strengths far more effectively, whatever the sector, than they have been able to do in the past.



**Dr. Susanne Neubert**  
*Member of the professional staff of the GDI*

**Literature**

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